

RECEIVED

MAY 20 2013

PUBLIC SERVICE  
COMMISSION



**Kenvirons, Inc.**

452 Versailles Road • Frankfort, KY 40601 • Phone: (502) 695-4357 • Fax: (502) 695-4363  
*Civil & Environmental Engineering and Laboratory Services*

May 20, 2013

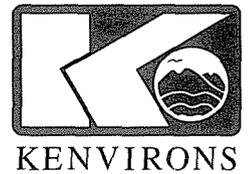
Ms. Linda Faulkner  
Filings Division Director  
Public Service Commission  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, KY 40602

RE: Wood Creek Water District Wastewater Division  
Rate Adjustment  
Case No. 2013-00170

Dear Ms. Faulkner:

The PSC staff requested clarification regarding the 1½-inch and 3-inch meter classifications. Responses to the clarification requests are as follows:

- (1) The notification document contained a rate for the 1½-inch meter but no average monthly bill amount. There is no average monthly bill amount because there are no customers in the 1½-inch meter classification. The utility no longer installs 1½-inch meters. The meter size is either 1-inch or 2-inch. However, a rate for the 1½-inch meter classification is maintained in the tariff in the event this meter size is specifically needed in the future.
- (2) There are existing customers in the 3-inch meter classification but no rate for this classification has been established in the tariff. The utility has been utilizing the established rate for the 2-inch meter classification for the 3-inch meter customers. It is the consensus that a rate should be established, for the 3-inch meter classification, in this submittal for a general rate adjustment.
- (3) The PSC staff requested the provision of the billing analysis and revenue calculation utilizing the existing rates for each rate classification.



Provided herewith are an original and five (5) copies relative to the additions and revisions to the submittal:

- (1) Notice: adding a proposed rate for 3-inch meters.
- (2) Reasons for Application (Sheet 1 Of 1): adding the necessity for the establishment of a 3-inch meter rate.
- (3) Current and Proposed Rates (Sheet 1 of 1): adding a proposed rate for 3-inch meters.
- (4) Revised Usage and Revenue Tables Sheet for the proposed rate for the 3-inch meter classification with the revision from the presently utilized 2-inch meter rate to a 3-inch meter rate requested to be established in this submittal.
- (5) Usage and Revenue Tables Sheets for all meter size classifications utilizing the present rates.

If anything additional is needed, please contact me at 502-695-4357.

Respectfully,

A handwritten signature in black ink that reads 'Carlos F. Miller'.

Carlos F. Miller, P.E.  
Vice President

CFM/pmw

# WOOD CREEK WATER DISTRICT WASTEWATER DIVISION

## NOTICE OF ADJUSTMENT OF SEWER RATES

The rates contained in this notice are the rates proposed by Wood Creek Water District Wastewater Division. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this notice.

Any corporation, association, body politic or person with a substantial interest in the matter may by motion within thirty (30) days after publication or mailing of notice of the proposed rate changes request leave to intervene. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the request including the status and interest of the party.

Copies of the application may be obtained at no charge from Wood Creek Water District Wastewater Division at 1670 Hal Rogers Parkway, P.O. Box 726, London, Kentucky 40743. The application and all documents filed with the Public Service Commission may be viewed and downloaded at the Public Service Commission's website at <http://psc.ky.gov/> or reviewed at the offices of the Public Service Commission at 211 Sower Boulevard, Frankfort, KY.

The current and proposed rates are as follows:

	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>
<u>5/8" x 3/4" Meter</u>		
First 2,000 Gallons	\$12.42 Minimum Bill	\$16.52 Minimum Bill
Next 1,500 Gallons	4.49 per 1,000 Gallons	5.97 per 1,000 Gallons
Next 1,500 Gallons	4.16 per 1,000 Gallons	5.53 per 1,000 Gallons
Next 2,500 Gallons	3.73 per 1,000 Gallons	4.96 per 1,000 Gallons
Over 7,500 Gallons	3.25 per 1,000 Gallons	4.32 per 1,000 Gallons
<u>1" Meter</u>		
First 5,000 Gallons	\$25.40 Minimum Bill	\$33.77 Minimum Bill
Next 2,500 Gallons	3.73 per 1,000 Gallons	4.96 per 1,000 Gallons
Over 7,500 Gallons	3.25 per 1,000 Gallons	4.32 per 1,000 Gallons
<u>1 1/2" Meter</u>		
First 10,000 Gallons	\$42.86 Minimum Bill	\$56.97 Minimum Bill
Over 10,000 Gallons	3.25 per 1,000 Gallons	4.32 per 1,000 Gallons

**Notice of Adjustment of Sewer Rates  
Continued**

	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>
<u>2" Meter</u>		
First 20,000 Gallons	\$75.35 Minimum Bill	\$100.17 Minimum Bill
Over 20,000 Gallons	3.25 per 1,000 Gallons	4.32 per 1,000 Gallons
<u>3" Meter</u>		
First 30,000 Gallons	No Current Rate	\$143.37 Minimum Bill
Over 30,000 Gallons	No Current Rate	4.32 per 1,000 Gallons
<u>6" Meter</u>		
First 100,000 Gallons	\$335.36 Minimum Bill	\$445.77 Minimum Bill
Over 100,000 Gallons	3.25 per 1,000 Gallons	4.32 per 1,000 Gallons

The amounts of rate change:

	<u>AMOUNT OF CHANGE</u>	<u>% CHANGE</u>
<u>5/8" x 3/4" Meter</u>		
First 2,000 Gallons	\$4.10	33
Next 1,500 Gallons	1.48	33
Next 1,500 Gallons	1.37	33
Next 2,500 Gallons	1.23	33
Over 7,500 Gallons	1.07	33
<u>1" Meter</u>		
First 5,000 Gallons	8.37	33
Next 2,500 Gallons	1.23	33
Over 7,500 Gallons	1.07	33
<u>1 1/2" Meter</u>		
First 10,000 Gallons	14.11	33
Over 10,000 Gallons	1.07	33
<u>2" Meter</u>		
First 20,000 Gallons	24.81	33
Over 20,000 Gallons	1.07	33
<u>3" Meter</u>		
First 30,000 Gallons	68.01	90
Over 30,000 Gallons	1.07	33

**Notice of Adjustment of Sewer Rates  
Continued**

	<u>AMOUNT OF CHANGE</u>	<u>% CHANGE</u>
<u>6" Meter</u>		
First 100,000 Gallons	110.41	33
Over 100,000 Gallons	1.07	33

Effect upon average bill:

<u>Customer Class</u>	<u>Average Monthly Bill</u>	<u>Rate Change</u>	<u>% Change</u>
5/8" x 3/4" Meter	3,500 Gallons	\$6.32	33
1" Meter	18,400 Gallons	23.11	33
2" Meter	43,700 Gallons	50.17	33
3" Meter	75,800 Gallons	84.52	33
6" Meter	2,310,200 Gallons	2,475.32	33

**REASONS FOR APPLICATION**

**(In the space below list all reasons why the Applicant requires a rate adjustment. Describe any event or occurrence of significance that may affect the Applicant's present or future financial condition, including but not limited to excessive water line losses, regulatory changes, major repairs, planned construction, and increases in wholesale water costs.)**

The Wood Creek Water District is located in Laurel County, KY and provides sewer service to approximately 1,100 customers in the rural areas of the county.

The rate analysis continued herein was based on the financial statement for January-December, 2012 which indicates that the expenses exceed the revenues. The rate increase necessary to cover all expenses is approximately 208%. However, the desire of the water district board is to limit the increase in consideration of rate shock. The limitation of the increase to 33% was accomplished with the reduction in the full 2012 depreciation expense from \$388,479 to \$100,000.

The existing tariff does not include a rate for the 3-inch meter size. Since there are customers in this meter classification, a 3-inch meter rate is established in this submittal for approval to be included in a revised tariff.

**CURRENT AND PROPOSED RATES**  
**(List Applicant's Current and Proposed Rates)**

	<u>Current Rates</u>	<u>Proposed Rates</u>
<u>5/8" x 3/4" Meter</u>		
First 2,000 Gallons	\$12.42 Minimum Bill	\$16.52 Minimum Bill
Next 1,500 Gallons	4.49 per 1,000 Gallons	5.97 per 1,000 Gallons
Next 1,500 Gallons	4.16 per 1,000 Gallons	5.53 per 1,000 Gallons
Over 2,500 Gallons	3.73 per 1,000 Gallons	4.96 per 1,000 Gallons
Over 7,500 Gallons	3.25 per 1,000 Gallons	4.32 per 1,000 Gallons
<u>1" Meter</u>		
First 5,000 Gallons	\$25.40 Minimum Bill	\$33.77 Minimum Bill
Next 2,500 Gallons	3.73 per 1,000 Gallons	4.96 per 1,000 Gallons
Over 7,500 Gallons	3.25 per 1,000 Gallons	4.32 per 1,000 Gallons
<u>1 1/2" Meter</u>		
First 10,000 Gallons	\$42.86 Minimum Bill	\$56.97 Minimum Bill
Over 10,000 Gallons	3.25 per 1,000 Gallons	4.32 per 1,000 Gallons
<u>2" Meter</u>		
First 20,000 Gallons	\$75.36 Minimum Bill	\$100.17 Minimum Bill
Over 20,000 Gallons	3.25 per 1,000 Gallons	4.32 per 1,000 Gallons
<u>3" Meter</u>		
First 30,000	No existing Rate	143.37 Minimum Bill
Over 30,000		4.32 per 1,000 Gallons
<u>6" Meter</u>		
First 100,000 Gallons	\$335.36 Minimum Bill	\$445.77 Minimum Bill
Over 100,000 Gallons	3.25 per 1,000 Gallons	4.32 per 1,000 Gallons

Revenue from Present/Proposed Rates  
 Test Period from 01-01-12 to 12-31-12

**USAGE TABLE**  
Usage by Rate Increment

**Class:** 3" Meter

First 30,000    Over 30,000

(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
First 30,000	0	0						
Over 30,000	24	1,820.2	720.0	1,100.2				
<b>Totals</b>	<b>24</b>	<b>1,820.2</b>	<b>720.0</b>	<b>1,100.2</b>				

**REVENUE TABLE**  
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 30,000	24		143.37	3,441
Over 30,000		1,100.2	4.32	4,753
<b>Totals</b>				<b>8,194</b>

**Instructions for Completing Revenue Table:**

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present.                      Rates  
 Test Period from 01-01-12 to 12-31-12

**USAGE TABLE**  
Usage by Rate Increment

**Class:** 5/8" Meter

			First 2,000	Next 1,500	Next 1,500	Next 2,500	Over 7,500	
(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
First 2,000 Gallons	4640	4,094.0	4,094.0					
Next 1,500 Gallons	3444	9,534.0	6,888.0	2,646.0				
Next 1,500 Gallons	2223	9,405.9	4,446.0	3,334.5	1,625.4			
Next 2,500 Gallons	1582	9,555.4	3,164.0	2,373.0	2,373.0	1,645.4		
Over 7,500 Gallons	997	12,171.7	1,994.0	1,475.5	1,495.5	2,492.5	4,694.2	
<b>Totals</b>	<b>12,885</b>	<b>44,761.0</b>	<b>20,586.0</b>	<b>9,849.0</b>	<b>5,493.9</b>	<b>4,137.9</b>	<b>4,694.2</b>	

**REVENUE TABLE**  
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 2,000 Gallons	12,886	--	12.42	160,044
Next 1,500 Gallons		9,849	4.49	44,222
Next 1,500 Gallons		5,494	4.16	22,855
Next 2,500 Gallons		4,138	3.73	15,435
Over 7,500 Gallons		4,694	3.25	15,256
<b>Totals</b>				<b>257,812</b>

**Instructions for Completing Revenue Table:**

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present.                      Rates  
 Test Period from 01-01-12 to 12-31-12

**USAGE TABLE**  
Usage by Rate Increment

**Class:** 1" Meter

First 5,000    Next 25,000    Over 7,500

(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
First 5,000	55	156.4	156.4					
Next 25,000	20	125.1	100.0	25.1				
Over 7,500	48	1,981.8	240.0	120.0	1,621.8			
<b>Totals</b>	123	2,263.3	396.4	145.1	1,621.8			

**REVENUE TABLE**  
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 5,000	123	--	25.40	3,124
Next 25,000		145	3.73	541
Over 7,500		1,622	3.25	5,272
<b>Totals</b>				8,937

**Instructions for Completing Revenue Table:**

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present Rates  
 Test Period from 01-01-12 to 12-31-12

**USAGE TABLE**  
Usage by Rate Increment

**Class:** 2" Meter

First 20,000    Over 20,000

(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
First 20,000	50	416.1	416.1					
Over 20,000	42	3,608.3	840	2,768.0				
<b>Totals</b>	<b>92</b>	<b>4,024.4</b>	<b>1,256.1</b>	<b>2,768.3</b>				

**REVENUE TABLE**  
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 20,000	92	--	75.36	6,933
Over 20,000		2,768	3.25	8,996
<b>Totals</b>				<b>15,929</b>

Instructions for Completing Revenue Table:

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present. Rates  
 Test Period from 01-01-12 to 12-31-12

**USAGE TABLE**  
Usage by Rate Increment

**Class:** 3" Meter (Rate for 2" Meter)

	First 20,000		Over 20,000		(6)	(7)	(8)	(9) Total
(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
First 20,000	0	0						
Over 20,000	24	1,820.2	480.0	1,340.2				
Totals	24	1,820.2	480.0	1,340.2				

**REVENUE TABLE**  
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 20,000	24		75.35	1,808
Over 20,000		1,340.2	3.25	4,356
Totals				6,164

Instructions for Completing Revenue Table:

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present: Rates  
 Test Period from 01-01-12 to 12-31-12

**USAGE TABLE**  
Usage by Rate Increment

**Class:** 6" Meter

			First 100,000	Over 100,000				
(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
First 100,000	0	0						
Over 100,000	12	27,721.9	1,200	26,521.9				
Totals	12	27,721.9	1,200	26,521.9				

**REVENUE TABLE**  
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 100,000	12		335.36	4,024
Over 100,000		26,521.9	3.25	86,196
Totals				90,220

Instructions for Completing Revenue Table:

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.