

Big Sandy Water District
18200 State Route 3
Catlettsburg, KY 41129
(606) 928-2075 or (800) 354-2933
Fax (606) 928-8454
bdistrict@windstream.net

RECEIVED

DEC 23 2013

PUBLIC SERVICE
COMMISSION

2013-00480

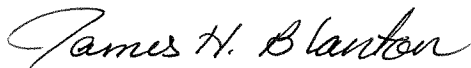
December 19, 2013

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Blvd
PO Box 615
Frankfort, KY 40602

Dear Mr. Derouen

Big Sandy Water District has experienced a rate increase from one of our suppliers, Cannonsburg Water, and we are asking approval to increase rates through the Purchase Water Adjustment (807 KAR 5:068) to our customers. As you can see from Exhibit B, we changed from \$3.84 per thousand to \$4.06 per thousand. A notice to our customers will be published in the Daily Independent. Our total expenses and revenue have been furnished to the PSC in our annual report. Enclosed are the original and ten copies of the applications, exhibits, and new tariff sheets. If you have any questions, please call (606) 928-2075.

Sincerely,



James H. Blanton
Manager

Enclosures

jb/tb

An Equal Opportunity Provider and Employer

Purchased Water Adjustments for
Water District and Associations
(807KAR 5:068)

Big Sandy Water District
(Name of Utility)

December 19, 2013
(Date)

18200 State Route 3
(Address)

Catlettsburg, KY 41129
(City, State, Zip)

(606) 928-2075
(Telephone Number)

1. a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

Supplier(s)	Base Rate	Changed Rate
<u>City of Kenova</u>	<u>Exhibit A \$2.55</u>	<u>Same</u>
<u>City of Louisa</u>	<u>Exhibit B \$2.66</u>	<u>Same</u>
<u>Rattlesnake Ridge Water District</u>	<u>Exhibit C-\$2.96</u>	<u>Same</u>
<u>Cannonsburg Water District</u>	<u>Exhibit D-\$3.84</u>	<u>\$4.06</u>

1. b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit D.
2. Twelve-month period upon which the purchase water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From November 2012 through October 2013
(month and year) (month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rates schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
<u>City of Louisa</u>	<u>87,050,400</u>
<u>City of Kenova</u>	<u>190,421,000</u>
<u>Rattlesnake Ridge Water District</u>	<u>5,205,800</u>
<u>Cannonsburg Water District</u>	<u>49,511,300</u>
Total Purchases	<u>332,188,500</u>
4. Total sales for the 12 month period	<u>239,724,200</u>

5. Increased water cost \$10,892.49

The increased water cost is the cost difference between purchases at the base (current) and purchases at new rate.

6. Purchased water adjustment factor .05 cents/thousand.

The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.

Note: Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.

7. Proposed effective date January 1, 2014.

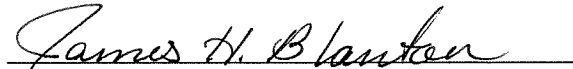

 (Signature of Utility Officer)
Manager
 (Title)

Exhibit A

AMENDMENT TO WATER PURCHASE CONTRACT

This Amendment to Water Purchase Contract, effective April 13, 2012, is entered into by and between the City of Kenova, West Virginia, a municipal corporation ("Kenova"), and the Big Sandy Water District ("Big Sandy").

1. **WHEREAS**, Kenova and Big Sandy entered into a Water Purchase Contract on or about February 22, 1982, which Contract has subsequently been amended from time to time;

2. **WHEREAS**, pursuant to Commission Order dated December 4, 2009, the West Virginia Public Service Commission required Kenova and Big Sandy to amend certain terms of that Water Purchase Contract and directed that these amendments supercede and replace all conflicting provisions of the original Water Purchase Contract and the subsequent amendments and addendums thereto;

3. **WHEREAS**, paragraph 5 of the Water Purchase Contract provides that the schedule of rates is subject to modification at the end of every one (1) year period;

NOW THEREFORE, in consideration of the foregoing, the parties agree to amend the said Water Purchase Contract as follows:

1. Kenova agrees to supply the water required by Big Sandy for which Kenova will charge a flat rate of \$2.55 per 1,000 gallons of water, which Big Sandy agrees to pay until changed by agreement of the parties with approval by the Public Service Commission;

2. Big Sandy further agrees to purchase a minimum of 8 million gallons per month or make minimum payments based upon such minimum value at the rate of \$2.55 per 1,000 gallons of water;

3. Paragraph 13 is stricken from the Water Purchase Contract; and

All remaining terms and provisions of the original Water Purchase Contract and its subsequent addendums and amendments shall remain in full force and effect.

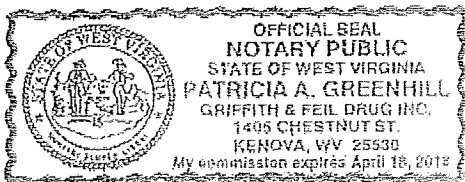
IN WITNESS WHEREOF, the parties, acting under authority of their respective governing bodies, have caused this Amendment to be duly executed this 23rd day of April, 2012.

Attest:

Seller: City of Kenova

Patricia A. Greenhill

By: *Rickey W. Griffith*
Rickey W. Griffith
Its Mayor



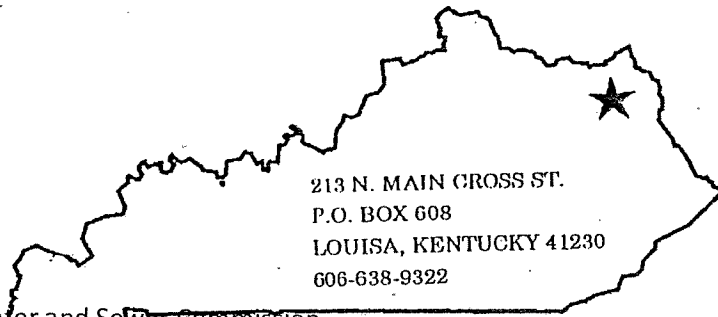
CITY OF LOUISA

Exhibit B

WATER AND SEWER COMMISSION

TEDDY PRESTON
MAYOR

DAVID MCGUIRE
PUBLIC WORKS DIRECTOR



City of Louisa Water and Sewer Commission

PO Box 608

Louisa, KY 41230

April 2, 2013

Mr. James Blanton, Superintendent

Big Sandy Water District

18200 State Route 3

Catlettsburg, KY 41129

Dear Mr. Blanton:

Enclosed is the notice of water rate schedule change by the City of Louisa Water and Sewer Commission to the Big Sandy Water District. We are submitting this notice simultaneously to Kentucky Public Service Commission. The City is proposing to change the new rate effective May 15, 2013.

The rate has been adjusted as allowed by City Ordinance. The ordinance allows the Water and Sewer Commission to adjust rates twice a year based on the consumer price index. Per the Bureau of Labor Statistics, water, sewer and trash cost increased 2.85 percent over the past six months.

The City looks forward to continuing its mutual beneficial relationship with Big Sandy Water District.

Sincerely,

Teddy Preston - Mayor
Ted Preston, Mayor

Cc: Kentucky Public Service Commission

NOTICE:

The City of Louisa has filed a proposed rate schedule that will change and increase the rate charged to the Big Sandy Water District. The City of Louisa currently charges the water district the following rate.

\$2.58 per 1,000 gallons

The City of Louisa proposes to charge Big Sandy Water District the following rate for water service effective May 15, 2013:

\$2.66 per 1,000 gallons

The rate contained in this notice is the rate proposed by the City of Louisa. The Kentucky Public Service Commission, however, may order rates to be charged that differ from the proposed rates contained in this notice.

Any corporation, association, or person with a substantial interest in the matter may, by written request within (30) days after publication or mailing of this notice of the proposed rate changes request to intervene. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate schedule and City Ordinance and any other filings made by the City of Louisa by contacting the City Clerk, City Hall, 215 North Main Cross St, Louisa, KY 41230 606-638-4050.

Any person may examine the City of Louisa's rate schedule and City Ordinance and any other filings at its main office at 215 North Main Cross Street, Louisa, KY or at the Public Service Commission, Offices at 221 Sower Blvd., Frankfort Kentucky 40602.

WATER PURCHASE CONTRACT

THIS CONTRACT FOR THE SALE AND PURCHASE OF WATER is made and entered into this the 16 day of August, 2010, by and between THE RATTLESNAKE RIDGE WATER DISTRICT, a water district created and existing under the Laws of the Commonwealth of Kentucky, hereinafter referred to as "Seller", and the BIG SANDY WATER DISTRICT, a municipality, hereinafter referred to as "Purchaser";


WITNESSETH:

In consideration of the mutual agreements herein and contingent upon approval by Commonwealth of Kentucky Public Service Commission and the United States Department of Agriculture Rural Development:

1. Seller agrees to furnish the Purchaser, at the point of delivery hereinafter specified, during the term of this Contract, potable, treated water at times and in quantities to be determined in Seller's sole and absolute discretion.
2. The water made available under this Agreement is only for use by retail customers of the Purchaser and may not be sold on a wholesale basis to any other utility.
3. Seller has no obligation to furnish satisfactory quantity or pressure for any purpose.
4. The Purchaser will keep Seller advised of all significant events which are likely to significantly affect the Purchaser's level of water purchased from the Seller.
5. The Master Meter(s) shall be read on the 15th day of each month. The Purchaser has the right to be present at each reading. The Purchaser shall pay the rate of \$2.96 per 1,000 gallons (plus any taxes, fees, etc.).

IN TESTIMONY WHEREOF, the parties hereto have caused this Agreement to be executed by its duly authorized officers, on this the day and date first above written.

THE RATTLESNAKE RIDGE WATER DISTRICT



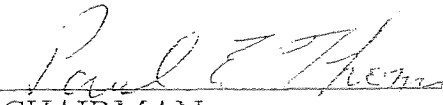
CHAIRMAN

ATTEST:



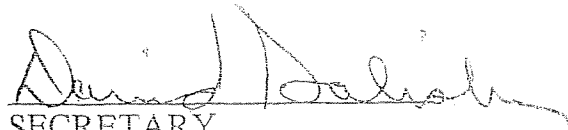
SECRETARY

BIG SANDY WATER DISTRICT



CHAIRMAN

ATTEST:



SECRETARY

Exhibit D

CANNONSBURG WATER DISTRICT
1606 CANNONSBURG ROAD
ASHLAND, KY 41102
606-928-9808
FAX# 606-928-4788
www.cannonsburgwater.com

December 9, 2013

Jimmy Blanton
18200 St Rt 3
Catlettsburg, KY 41129

RE: Wholesale Water Rate Increase

Dear Jimmy:

The City of Ashland has notified us, that they are increasing our water rates from \$2.58 to \$2.73 per 1000 gallons. We will be increasing our wholesale rate from \$3.84 to \$4.06 per 1000 gallons. Therefore, upon approval from the Public Service Commission all water passing through the meter on or after January 1, 2014, shall be billed at the new rate. We are submitting this notice to the Kentucky Public Service Commission. A letter from the City of Ashland is enclosed.

Sincerely,



Danny Clarkston
Manager

Enclosures

Big Sandy Water District
18200 State Route 3
Catlettsburg, KY 41129
(606) 928-2075 or (800) 354-2933
Fax (606) 928-8454
bdistrict@windstream.net

December 19, 2013

Jimmy Taylor
Overland Development Co
18211 Valleyview Ct
Catlettsburg, KY 41129

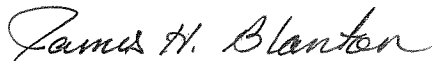
Re: Water Rate

Dear Jimmy,

We have been notified by one of our suppliers, Cannonsburg Water, that they are increasing our water rates by .22 cents per thousand gallons. We will be passing this increase to our customers. We will be increasing the per thousand cost from \$4.80 to \$4.85 beginning with the March 1, 2014. We are submitting this notice simultaneously to the Kentucky Public Service Commission.

Enclosed is a copy of our letter from Cannonsburg Water.

Sincerely,



James H. Blanton
Manager

Enclosure

Big Sandy Water District
18200 State Route 3
Catlettsburg, KY 41129
(606) 928-2075 or (800) 354-2933
Fax (606) 928-8454
bdistrict@windstream.net

December 19, 2013

Danny Clarkston
Cannonsburg Water District
1606 Cannonsburg Rd
Ashland, KY 41102

Re: Water Rate

Dear Danny,

We have been notified by one of our water suppliers, Cannonsburg Water, that they are increasing our water rates by .22 cents per thousand gallons. We will be passing this increase to our customers. We will be increasing the per thousand cost from \$4.80 to \$4.85 beginning with the March 1, 2014 billing. We are submitting this notice simultaneously to the Kentucky Public Service Commission.

Enclosed is a copy of our letter from Cannonsburg Water.

Sincerely,



James H. Blanton
Manager

Enclosure

An Equal Opportunity Provider and Employer

Proposed Rates

5/8 x 3/4 Inch Meter

First	1,000	\$16.67	Minimum Bill
Next	9,000	\$8.40	Per 1,000 Gallons
Next	10,000	\$5.80	Per 1,000 Gallons
Next	20,000	\$5.38	Per 1,000 Gallons
Over	40,000	\$5.15	Per 1,000 Gallons

1 Inch Meter

First	10,000	\$92.27	Minimum Bill
Next	10,000	\$8.40	Per 1,000 Gallons
Next	20,000	\$5.38	Per 1,000 Gallons
Over	40,000	\$5.15	Per 1,000 Gallons

1 1/2 Inch Meter

First	20,000	\$150.27	Minimum Bill
Next	20,000	\$5.38	Per 1,000 Gallons
Over	40,000	\$5.15	Per 1,000 Gallons

2 Inch Meter

First	40,000	\$257.87	Minimum Bill
Over	40,000	\$5.15	Per Minimum Bill

3 Inch Meter

First	100,000	\$566.87	Minimum Bill
Over	100,000	\$5.15	Per 1,000 Gallons

4 Inch Meter

First	200,000	\$1,081.87	Minimum Bill
Over	200,000	\$5.15	Per 1,000 Gallons

Wholesale Service

\$4.85 Per 1,000 Gallons

Cannonsburg				Rattlesnake Ridge			
Year	Month	Dollar Amount of Monthly Bill	Number of Gallons Purchased	Year	Month	Dollar Amount of Monthly Bill	Number of Gallons Purchased
2012	NOV	\$ 14,703.12	4,006,300	2012	NOV	\$ 1,106.15	373,700
2012	DEC	\$ 14,352.64	3,910,800	2012	DEC	\$ 1,175.42	397,100
2013	JAN	\$ 16,232.04	4,422,900	2013	JAN	\$ 1,243.20	420,000
2013	FEB	\$ 18,070.35	4,923,800	2013	FEB	\$ 1,224.85	413,800
2013	MAR	\$ 19,052.16	4,961,500	2013	MAR	\$ 1,678.62	567,100
2013	APR	\$ 13,155.84	3,426,000	2013	APR	\$ 1,500.13	506,800
2013	MAY	\$ 13,542.91	3,526,800	2013	MAY	\$ 1,258.30	425,100
2013	JUNE	\$ 17,257.73	4,494,200	2013	JUNE	\$ 1,063.53	359,300
2013	JULY	\$ 13,039.10	3,395,600	2013	JULY	\$ 1,470.23	496,700
2013	AUG	\$ 19,926.14	5,189,000	2013	AUG	\$ 1,174.23	396,700
2013	SEPT	\$ 13,928.45	3,627,200	2013	SEPT	\$ 1,302.10	439,900
2013	OCT	\$ 15,907.97	3,627,200	2013	OCT	\$ 1,212.42	409,600
	12 month total	\$ 189,168.45	49,511,300		12 month total	\$ 15,409.18	5,205,800
Kenova				Louisa			
Year	Month	Dollar Amount of Monthly Bill	Number of Gallons Purchased	Year	Month	Dollar Amount of Monthly Bill	Number of Gallons Purchased
2012	NOV	\$ 41,108.55	16,121,000	2012	NOV	\$ 14,827.77	5,747,200
2012	DEC	\$ 35,427.15	15,537,000	2012	DEC	\$ 20,321.11	7,876,400
2013	JAN	\$ 38,686.05	15,171,000	2013	JAN	\$ 17,950.35	6,957,500
2013	FEB	\$ 44,102.25	17,295,000	2013	FEB	\$ 21,110.85	8,182,500
2013	MAR	\$ 40,440.45	15,859,000	2013	MAR	\$ 19,362.12	7,504,700
2013	APR	\$ 40,947.90	16,058,000	2013	APR	\$ 20,896.20	8,099,300
2013	MAY	\$ 40,445.55	15,861,000	2013	MAY	\$ 18,296.59	7,091,700
2013	JUNE	\$ 45,935.70	18,014,000	2013	JUNE	\$ 21,257.90	8,239,500
2013	JULY	\$ 36,844.95	14,449,000	2013	JULY	\$ 18,212.48	7,059,100
2013	AUG	\$ 42,531.45	16,679,000	2013	AUG	\$ 17,639.79	6,631,500
2013	SEPT	\$ 40,746.45	15,979,000	2013	SEPT	\$ 18,016.45	6,773,100
2013	OCT	\$ 34,164.90	13,398,000	2013	OCT	\$ 18,321.81	6,887,900
	12 month total	\$ 481,381.35	190,421,000		12 month total	\$ 226,213.42	87,050,400

DATE	USAGE
Nov-12	19,371,600
Dec-12	19,660,900
Jan-13	18,858,100
Feb-13	20,243,700
Mar-13	18,228,900
Apr-13	18,194,400
May-13	19,612,800
June-13	24,197,500
July-13	20,040,900
Aug-13	21,978,800
Sept-13	21,426,200
Oct-13	17,910,300
TOTAL	239,724,100

Appendix A

Appendix to an order of the Kentucky Public Service
Commission in Case No. Dated

The following rates and charges are prescribed for customers in the area served by Big Sandy Water District. All other rates and charges not specifically mentioned shall remain the same as those in effect under authority of Commission prior to the effective date of this Order.

Monthly Water Rates

5/8 x 3/4 Inch Meter

First	1,000	\$16.67	Minimum Bill
Next	9,000	\$8.40	Per 1,000 Gallons
Next	10,000	\$5.80	Per 1,000 Gallons
Next	20,000	\$5.38	Per 1,000 Gallons
Over	40,000	\$5.15	Per 1,000 Gallons

1 Inch Meter

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Over	40,000	\$5.15	Per 1,000 Gallons

1 1/2 Inch Meter

First	20,000	\$150.27	Minimum Bill
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2 Inch Meter

First	40,000	\$257.87	Minimum Bill
Over	40,000	\$5.15	Per 1,000 Gallons

3 Inch Meter

First	100,000	\$566.87	Minimum Bill
Over	100,000	\$5.15	Per 1,000 Gallons

4 Inch Meter

First	200,000	\$1,081.87	Minimum Bill
Over	200,000	\$5.15	Per 1,000 Gallons

Wholesale Service

\$4.85 Per 1,000 Gallons