

# MCGHEE ENGINEERING, INC.

202 Ewing Street, P. O. Box 267  
Guthrie, Kentucky 42234

www.mcgheeengineering.com

Phone: (270) 483-9985  
Fax: (270) 483-9986

January 31, 2014

Jeff Derouen, Executive Director  
Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

RECEIVED

FEB - 7 2014

PUBLIC SERVICE  
COMMISSION

RE: South Logan Water Association  
**Purchase Water Adjustment**

Dear Mr. Derouen:

On behalf of the South Logan Water Association, please find enclosed ten copies of a Purchase Water Adjustment. The adjustment is in response to their supplier's (Logan Todd Regional Water Commission) decision to raise the wholesale rate from \$3.83/1,000 gallons to \$3.91/1,000 gallons. In addition to the PWA, a copy of Logan Todd's rate change notice is attached.

If you have any questions or need additional information, please feel free to call our office or email [chriswilcutt@mchsi.com](mailto:chriswilcutt@mchsi.com).

Sincerely,

**McGhee Engineering, Inc.**



Chris Wilcutt P.E.  
*Project Engineer*

Cc: South Logan Water Association

PURCHASED WATER ADJUSTMENT FOR  
WATER DISTRICTS & WATER ASSOCIATIONS  
(807 KAR 5:068)

**RECEIVED**

FEB -7 2014

PUBLIC SERVICE  
COMMISSION

Name of Utility	South Logan Water Association		
Date	January 31, 2014		
Address	114 South Main Street		
City, State, Zip	Adairville	KY	42202
Telephone Number	(270) 539-6730		
Official Email Address	slwa@logantele.com		

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.

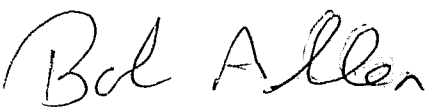
Supplier(s)	Base Rate	Changed Rate
Logan Todd Regional Water Commission	\$3.83/1,000 Gallons	\$3.91/1,000 Gallons

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit A

2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of the proposed effective date).

From	January 2013	through	December 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 rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
Logan Todd Regional Water Commission	148,095,000
TOTAL PURCHASES	148,095,000
4. Total gallons sold for the 12 month period	108,389,000
5. Increased water cost	\$11,848
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	\$0.11/1,000 Gallons
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
NOTE: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice.	
7. Proposed effective date.	March 1, 2014
NOTE: The next 2-steps only apply to water districts	
8. Date reported to the appropriate governing body	
9. Date attended (or scheduled to attend) meeting with the appropriate governing body	
	
Signature of Utility Officer	
Bob Allen, Chairman	
Title	

**Exhibit A**

**Supplier's Notice of Rate Change**

**LOGAN/TODD REGIONAL WATER COMMISSION**

248 Tower Street, P. O. Box 400, Guthrie, KY 42234

Phone: (270) 483-6990, Fax: (270) 483-6691

December 10, 2013

<b>COMMISSION MEMBER ENTITIES</b>
Adairville
Auburn
East Logan Water District
Elkton
Guthrie
Lewisburg
North Logan Water District
Oak Grove
Russellville
South Logan Water Association
Todd County Water District
Trenton

South Logan Water Association  
P. O. Box 277  
ADAIRVILLE, KY 42202

Dear Chairman:

At its meeting October 24, 2013, the board of Logan/Todd Regional Water Commission voted to implement an automatic annual two-percent (2%) escalator in the wholesale water rate that will become effective January 1, 2014. The resolution stating this action also provides that in annual budget considerations, the need for the escalator will be evaluated as the volume of water sales changes.

At its meeting November 21, 2013, the board approved its 2014 budget based upon the new wholesale water rate of \$3.91 per 1,000 gallons. Unlike previous years, this change in the water rate will become effective January 1, 2014.

If we can be of assistance to you in any way, please call.

Sincerely,



Kyle R. Kenner  
System Manager

**Exhibit B**

**Revised Rate Tariff Sheet**

FOR Logan County, Kentucky  
Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

South Logan Water Association  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

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RATES AND CHARGES

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Meter Size 5/8x3/4 Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 23.89</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.52</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.25</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.97</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.70</u>	per 1,000 Gallons

Meter Size 1-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 43.90</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.52</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.25</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.97</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.70</u>	per 1,000 Gallons

Meter Size 1 1/2-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 61.88</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.52</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.25</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.97</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.70</u>	per 1,000 Gallons

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DATE OF ISSUE \_\_\_\_\_  
Month / Date / Year

DATE EFFECTIVE March 1, 2014

ISSUED BY Bob Allen  
Month / Date / Year  
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

FOR Logan County, Kentucky  
Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

South Logan Water Association  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

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RATES AND CHARGES

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Meter Size 2-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 94.41</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.52</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.25</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.97</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.70</u>	per 1,000 Gallons

Meter Size 3-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 126.51</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.52</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.25</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.97</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.70</u>	per 1,000 Gallons

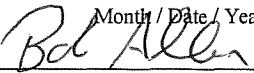
Meter Size 4-Inch :

First	<u>2,000</u>	Gallons @	<u>\$ 163.21</u>	Minimum
Next	<u>8,000</u>	Gallons @	<u>\$ 8.52</u>	per 1,000 Gallons
Next	<u>40,000</u>	Gallons @	<u>\$ 8.25</u>	per 1,000 Gallons
Next	<u>50,000</u>	Gallons @	<u>\$ 7.97</u>	per 1,000 Gallons
All Over	<u>100,000</u>	Gallons @	<u>\$ 7.70</u>	per 1,000 Gallons

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DATE OF ISSUE \_\_\_\_\_  
Month / Date / Year

DATE EFFECTIVE March 1, 2014

ISSUED BY   
Month / Date / Year  
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_



**Exhibit C**

**Purchase Water Adjustment  
Calculation Spreadsheet**

**Cost of Water Calculation for Purchased Water Adjustment**

Month	Actual (From SLWA Records) Quantity (Gallons)			Cost of Purchased Water	
	Purchased	Sold - Retail	Sold - Resell	Old Rate	New Rate
January 2013	11,997,000	7,853,000	-	\$ 45,949	\$ 46,908
February 2013	9,407,000	7,256,000	-	\$ 36,029	\$ 36,781
March 2013	11,407,000	7,438,000	-	\$ 43,689	\$ 44,601
April 2013	11,636,000	9,139,000	-	\$ 44,566	\$ 45,497
May 2013	13,119,000	8,640,000	-	\$ 50,246	\$ 51,295
June 2013	13,041,000	12,111,000	-	\$ 49,947	\$ 50,990
July 2013	13,040,000	10,993,000	-	\$ 49,943	\$ 50,986
August 2013	12,887,000	9,274,000	-	\$ 49,357	\$ 50,388
September 2013	12,266,000	10,228,000	-	\$ 46,979	\$ 47,960
October 2013	11,963,000	8,820,000	-	\$ 45,818	\$ 46,775
November 2013	12,466,000	8,355,000	-	\$ 47,745	\$ 48,742
December 2013	14,866,000	8,282,000	-	\$ 56,937	\$ 58,126
<b>TOTALS</b>	<b>148,095,000</b>	<b>108,389,000</b>	<b>-</b>	<b>\$ 567,204</b>	<b>\$ 579,051</b>
Monthly Average	12,341,250	9,032,417	-		

Old LTRWC Wholesale Purchase Rates	
First 1,000 Gallons	\$ 3.83
All Over 1,000 Gallons	\$ 3.83

New LTRWC Wholesale Purchase Rates	
First 1,000 Gallons	\$ 3.91
All Over 1,000 Gallons	\$ 3.91

PWA Factor Calculation	
Cost Difference (New-Old)	\$ 11,848
PWA Factor (\$/1000 gal)	\$ 0.11

Notes:

1. All purchased and sold quantities are from SLWA & LTRWC records.