

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

RECEIVED

MAY 26 2015

PUBLIC SERVICE
COMMISSION

In the Matter of:

Proposed Adjustment of the Wholesale)
Water Service Rates of) Case No. 2014-00392
the City of Danville)

NOTICE

The City of Danville, by counsel, pursuant to the Commission's Order dated May 15, 2015, hereby states that it anticipates that it will call Earl Coffey, Connie Allen, and Michele Gosser as witnesses at the hearing scheduled to be held on June 3, 2015. It further provides notice of filing the attached documents that it anticipates that it will introduce at the above-referenced hearing.

Respectfully submitted,



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ATTORNEYS FOR THE CITY OF DANVILLE

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served via U.S. Mail, postage prepaid, to
the following on May 26, 2015:

Caywood Metcalf
214 Stanford Street
Lancaster, Kentucky 40444

Jeffrey W. Jones
Jeffrey W. Jones, PLLC
1000 East Lexington Avenue, #3
Danville, KY 40422



COUNSEL FOR CITY OF DANVILLE

City of Danville
Average Unit Costs based on TY 2013 with Pro Forma Adjustments (Kgallons) with Adjustment

Cost Component	Total	Residential/Commercial		Industrial		Perryville	Junction City	Non-Owner Wholesale				Source
		Owner	Non-Owner	Owner	Non-Owner			Parksville	Hustonville	GCWA	LVWA	
Allocated Commodity Costs	2,402,810	1,069,246	348,739	77,770	53,479	83,768	91,512	168,489	181,307	127,190	201,309	
Commodity Costs - \$/1000 gal	\$1.58	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60	\$1.60	\$1.52	\$1.52	\$1.52	\$1.52	
Allocated Capacity Costs	1,612,687	647,395	211,151	47,297	32,524	45,647	62,610	81,612	65,865	46,206	73,132	
Capacity Costs - \$/1000 gal	\$1.06	\$0.97	\$0.97	\$0.97	\$0.97	\$0.87	\$1.09	\$0.74	\$0.55	\$0.55	\$0.55	
Allocated Pub Fire Pro Costs	225,917	118,975	37,619	6,525	816	28,342	29,667	1,615	2,358	-	-	
Pub Fire Pro Costs - \$/1000 gal	\$0.15	\$0.18	\$0.17	\$0.13	\$0.02	\$0.54	\$0.52	\$0.01	\$0.02	\$0.00	\$0.00	
Allocated Rev & DA Costs	208,936	3,030	1,363	435	475	112,392	89,903	322	364	253	397	
Rev & DA Costs - \$/1000 gal	\$0.14	\$0.00	\$0.01	\$0.01	\$0.01	\$2.14	\$1.57	\$0.00	\$0.00	\$0.00	\$0.00	
Allocated Return Component	502,365	143,542	93,636	10,976	19,925	36,858	36,520	44,517	44,103	27,989	44,298	
Return Comp Costs - \$/1000 gal	\$0.33	\$0.21	\$0.43	\$0.23	\$0.60	\$0.70	\$0.64	\$0.40	\$0.37	\$0.33	\$0.33	
Allocated Customer Costs	610,490	267,724	103,755	1,482	203	115,308	120,700	272	503	272	272	
Customer Costs - \$/Cust/Mn	\$4.82	\$3.82	\$4.69	\$7.72	\$8.46	\$6.91	\$6.91	\$22.63	\$41.92	\$22.63	\$22.63	
Total Cost - \$/1000 gal	\$3.25	\$2.96	\$3.17	\$2.94	\$3.20	\$5.86	\$5.42	\$2.68	\$2.47	\$2.41	\$2.41	
Basic Data:												
Annual Water Flow 1000 gal	1,524,912	668,969	218,187	48,657	33,459	52,409	57,254	110,781	119,209	83,627	132,360	
Number of Customers	10547	5835	1845	16	2	1390	1455	1	1	1	1	

City of Danville
Average Unit Costs based on TY 2013 with Pro Forma Adjustments (Kgallons) with Adjustment

Cost Component	Total	Residential/Commercial		Industrial		Perryville	Junction City	Non-Owner Wholesale				Source
		Owner	Non-Owner	Owner	Non-Owner			Parkville	Hustonville	GCWA	LVWA	
Allocated Commodity Costs	2,608,746	1,160,887	378,628	84,436	58,063	90,948	99,355	182,929	196,846	138,091	218,562	
Commodity Costs - \$/1000 gal	\$1.71	\$1.74	\$1.74	\$1.74	\$1.74	\$1.74	\$1.74	\$1.65	\$1.65	\$1.65	\$1.65	
Allocated Capacity Costs	1,604,111	647,629	211,227	133,437	179,563	45,664	119,680	81,641	65,889	46,222	73,158	
Capacity Costs - \$/1000 gal	\$1.05	\$0.97	\$0.97	\$2.74	\$5.37	\$0.87	\$2.09	\$0.74	\$0.55	\$0.55	\$0.55	
Allocated Pub Fire Pro Costs	215,866	113,682	35,946	6,234	779	27,081	28,347	1,543	2,253	-	-	
Pub Fire Pro Costs - \$/1000 gal	\$0.14	\$0.17	\$0.16	\$0.13	\$0.02	\$0.52	\$0.50	\$0.01	\$0.02	\$0.00	\$0.00	
Allocated Rev & DA Costs	208,936	3,030	1,363	435	475	112,392	89,903	322	364	253	397	
Rev & DA Costs - \$/1000 gal	\$0.14	\$0.00	\$0.01	\$0.01	\$0.01	\$2.14	\$1.57	\$0.00	\$0.00	\$0.00	\$0.00	
Allocated Return Component	502,365	143,542	93,636	10,976	19,925	36,858	36,520	44,517	44,103	27,989	44,298	
Return Comp Costs - \$/1000 gal	\$0.33	\$0.21	\$0.43	\$0.23	\$0.60	\$0.70	\$0.64	\$0.40	\$0.37	\$0.33	\$0.33	
Allocated Customer Costs	570,051	250,536	96,967	1,398	191	107,335	112,355	261	485	261	261	
Customer Costs - \$/Cust/Mn	\$4.50	\$3.58	\$4.38	\$7.28	\$7.97	\$6.43	\$6.43	\$21.77	\$40.42	\$21.77	\$21.77	
Total Cost - \$/1000 gal	\$3.37	\$3.09	\$3.30	\$4.84	\$7.74	\$5.97	\$6.53	\$2.81	\$2.60	\$2.54	\$2.54	
Basic Data:												
Annual Water Flow 1000 gal	1,524,912	668,969	218,187	48,657	33,459	52,409	57,254	110,781	119,209	83,627	132,360	
Number of Customers	10547	5835	1845	16	2	1390	1455	1	1	1	1	

January 5, 2015

Reflecting adjustments to revenue requirements for known and measurable expenses, as discussed at informal conference with PSC Staff in December 2014.

City of Danville
Average Unit Costs based on TY 2013 revised Pro Forma Adjustments (Kgallons) with Adjustment
Depreciation substituted

Cost Component	Total	Residential/Commercial		Industrial		Perryville	Junction City	Non-Owner Wholesale				Source
		Owner	Non-Owner	Owner	Non-Owner			Parksville	Hustonsville	GCWA	LVWA	
Allocated Commodity Costs	3,040,330	1,352,941	441,267	98,405	67,668	105,994	115,792	213,193	229,412	160,937	254,720	
Commodity Costs - \$/1000 gal	\$1.99	\$2.02	\$2.02	\$2.02	\$2.02	\$2.02	\$2.02	\$1.92	\$1.92	\$1.92	\$1.92	
Allocated Capacity Costs	1,732,906	735,683	239,946	118,871	167,250	51,872	116,082	92,742	74,848	52,507	83,105	
Capacity Costs - \$/1000 gal	\$1.14	\$1.10	\$1.10	\$2.44	\$5.00	\$0.99	\$2.03	\$0.84	\$0.63	\$0.63	\$0.63	
Allocated Pub Fire Pro Costs	143,161	75,393	23,839	4,135	517	17,960	18,800	1,023	1,494	-	-	
Pub Fire Pro Costs - \$/1000 gal	\$0.09	\$0.11	\$0.11	\$0.08	\$0.02	\$0.34	\$0.33	\$0.01	\$0.01	\$0.00	\$0.00	
Allocated Rev & DA Costs	243,552	3,030	1,363	3,450	3,491	119,094	95,481	8,140	8,852	253	397	
Rev & DA Costs - \$/1000 gal	\$0.16	\$0.00	\$0.01	\$0.07	\$0.10	\$2.27	\$1.67	\$0.07	\$0.07	\$0.00	\$0.00	
Allocated Return Component	502,365	143,542	93,636	10,976	19,925	36,858	36,520	44,517	44,103	27,989	44,298	
Return Comp Costs - \$/1000 gal	\$0.33	\$0.21	\$0.43	\$0.23	\$0.60	\$0.70	\$0.64	\$0.40	\$0.37	\$0.33	\$0.33	
Allocated Customer Costs	509,137	219,084	85,737	1,089	153	98,875	103,499	147	260	147	147	
Customer Costs - \$/Cust/Mn	\$4.02	\$3.13	\$3.87	\$5.67	\$6.36	\$5.93	\$5.93	\$12.26	\$21.63	\$12.26	\$12.26	
Total Cost - \$/1000 gal	\$3.71	\$3.45	\$3.67	\$4.85	\$7.74	\$6.33	\$6.68	\$3.25	\$3.01	\$2.89	\$2.89	
Basic Data:												
Annual Water Flow 1000 gal	1,524,912	668,969	218,187	48,657	33,459	52,409	57,254	110,781	119,209	83,627	132,360	
Number of Customers	10547	5835	1845	16	2	1390	1455	1	1	1	1	

February 5, 2015
Substituting depreciation expense for
rate-funded capital, per the request of PSC Staff

City of Danville
Average Unit Costs based on TY 2013 Limited Pro Forma Adjustments (Kgallons) with Adjustment
Depreciation substituted

Cost Component	Total	Residential/Commercial		Industrial		Perryville	Junction City	Non-Owner Wholesale				1.50
		Owner	Non-Owner	Owner	Non-Owner			Parksville	Hustonville	GCWA	LVWA	
Allocated Commodity Costs	3,040,330	1,352,941	441,267	98,405	67,668	105,994	115,792	213,193	229,412	160,937	254,720	
Commodity Costs - \$/1000 gal	\$1.99	\$2.02	\$2.02	\$2.02	\$2.02	\$2.02	\$2.02	\$1.92	\$1.92	\$1.92	\$1.92	
Allocated Capacity Costs	1,732,906	751,294	245,038	118,817	167,154	52,973	115,966	66,739	76,436	53,621	84,868	
Capacity Costs - \$/1000 gal	\$1.14	\$1.12	\$1.12	\$2.44	\$5.00	\$1.01	\$2.03	\$0.60	\$0.64	\$0.64	\$0.64	
Allocated Pub Fire Pro Costs	143,161	75,393	23,839	4,135	517	17,960	18,800	1,023	1,494	-	-	
Pub Fire Pro Costs - \$/1000 gal	\$0.09	\$0.11	\$0.11	\$0.08	\$0.02	\$0.34	\$0.33	\$0.01	\$0.01	\$0.00	\$0.00	
Allocated Rev & DA Costs	243,552	3,030	1,363	3,450	3,491	119,094	95,481	8,140	8,852	253	397	
Rev & DA Costs - \$/1000 gal	\$0.16	\$0.00	\$0.01	\$0.07	\$0.10	\$2.27	\$1.67	\$0.07	\$0.07	\$0.00	\$0.00	
Allocated Return Component	501,415	144,456	94,229	11,031	20,022	36,964	36,638	41,122	44,304	28,130	44,521	
Return Comp Costs - \$/1000 gal	\$0.33	\$0.22	\$0.43	\$0.23	\$0.60	\$0.71	\$0.64	\$0.37	\$0.37	\$0.34	\$0.34	
Allocated Customer Costs	509,137	219,084	85,737	1,089	153	98,875	103,499	147	260	147	147	
Customer Costs - \$/Cust/Mn	\$4.02	\$3.13	\$3.87	\$5.67	\$6.36	\$5.93	\$5.93	\$12.26	\$21.63	\$12.26	\$12.26	
Total Cost - \$/1000 gal	\$3.71	\$3.48	\$3.69	\$4.85	\$7.74	\$6.35	\$6.68	\$2.98	\$3.02	\$2.91	\$2.91	
Basic Data:												
Annual Water Flow 1000 gal	1,524,912	668,969	218,187	48,657	33,459	52,409	57,254	110,781	119,209	83,627	132,360	
Number of Customers	10547	5835	1845	16	2	1390	1455	1	1	1	1	

April 20, 2015
Changing the peaking factor for Parksville WD
from 2.0 to 1.5 at the request of PSC Staff