

WEST LAUREL WATER ASSOCIATION

1670 East Hal Rogers Parkway
P.O. Box 726
London, Kentucky 40743-0726

August 22, 2016

Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

RECEIVED

AUG 23 2016

PUBLIC SERVICE
COMMISSION

RE: Application for a Purchased Water Rate Adjustment Case No. 2016-00307

The West Laurel Water Association respectfully requests that the Commission allow for an adjustment to its water service rates in accordance with 807 KAR 5:068 Purchased Water Adjustment.

The Association has been notified by its supplier, Wood Creek Water District, that its wholesale rate is increasing from \$2.92 to \$3.42 per 1,000 gallons. This increase has an effective date of July 14, 2016.

The following supporting documentation is enclosed for your review:

- Exhibit A - Purchased Water Adjustment form
- Exhibit B - Copy of supplier's notice of rate in rate
- Exhibit C - Statement of water purchased
- Exhibit D - Statement of water sold
- Exhibit E - Calculation of increased water cost
- Exhibit F - Schedule listing current and proposed rates
- Exhibit G - Proof of notice to customers
- Exhibit H - Copy of minutes from Board of Directors meeting authorizing proposed rates

Should you have any questions, please contact Dewayne Lewis at 606-260-0366, as he is handling this matter.

Sincerely, *Otis Williams*

Otis Williams, President
West Laurel Water Association

Case No. 2016-00307

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

RECEIVED

AUG 23 2016

PUBLIC SERVICE
COMMISSION

Name of Utility	West Laurel Water Association		
Date	August 22, 2016		
Address	P.O. Box 726		
City, State, Zip	London , KY	40743	
Telephone Number	606-878-9420		
Email Address	dewaynelewis@woodcreekwater.org		

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
Wood Creek Water District	\$2.92 per 1,000 gallons	\$3.42 per 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 B

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

From	August 2015	through	July 2016
	(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. Exhibit C

Supplier(s)	Gallons Purchased during 12 month period
Wood Creek Water District	367,019,700
TOTAL PURCHASES	
4. Total gallons sold for the 12 month period Exhibit D	263,603,700
5. Increased water cost Exhibit E	\$183,509.85
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation is attached as Exhibit E	
6. Purchased water adjustment factor	\$0.70 per 1000 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. A schedule listing the current and proposed rates is attached as Exhibit F	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit H	
9. Proposed effective date	September 22, 2016
 Signature of Utility Officer	
Chairman	
Title	

**NOTICE TO THE CUSTOMERS OF
WOOD CREEK WATER DISTRICT**

On January 15, 2016, in Case No. 2015-00428, Wood Creek Water District ("Wood Creek") applied to the Kentucky Public Service Commission ("PSC") for authority to increase its rates for water service by 14.53 percent. After performing a review of Wood Creek's application and records, the PSC Staff found that Wood Creek's test-year operations support a 17.07 percent water rate increase and a 72.18 percent sewer rate increase. As allowed by the PSC's Order dated February 2, 2016, Wood Creek requested that the PSC allow it to increase its monthly water service rates by 17.07 percent and to increase its monthly sewer service rates by 17.07 percent. A comparison of Wood Creek's current and requested water and sewer service rates is provided below:

Monthly Water Service Rates

		Present Rates		Requested Rates		Change	
						\$	%
<u>5/8" X 3/4" Meter</u>							
First	2,000 gallons	\$ 20.69	Minimum Bill	\$ 24.22	Minimum Bill	\$ 3.53	17.06%
Next	1,500 gallons	6.58	per 1,000 gallons	7.70	per 1,000 gallons	1.12	17.02%
Next	1,500 gallons	5.87	per 1,000 gallons	6.87	per 1,000 gallons	1.00	17.04%
Next	2,500 gallons	4.94	per 1,000 gallons	5.78	per 1,000 gallons	0.84	17.00%
Over	7,500 gallons	3.90	per 1,000 gallons	4.57	per 1,000 gallons	0.67	17.18%
<u>1" Meter</u>							
First	5,000 gallons	\$ 39.36	Minimum Bill	\$ 46.08	Minimum Bill	\$ 6.72	17.07%
Next	2,500 gallons	4.94	per 1,000 gallons	5.78	per 1,000 gallons	0.84	17.00%
Over	7,500 gallons	3.90	per 1,000 gallons	4.57	per 1,000 gallons	0.67	17.18%
<u>1-1/2" Meter</u>							
First	10,000 gallons	\$ 61.42	Minimum Bill	\$ 71.95	Minimum Bill	\$10.53	17.14%
Over	10,000 gallons	3.90	per 1,000 gallons	4.57	per 1,000 gallons	0.67	17.18%
<u>2" Meter</u>							
First	20,000 gallons	\$ 100.32	Minimum Bill	\$ 117.65	Minimum Bill	\$17.33	17.27%
Over	20,000 gallons	3.90	per 1,000 gallons	4.57	per 1,000 gallons	0.67	17.18%
<u>3" Meter</u>							
First	30,000 gallons	\$ 139.22	Minimum Bill	\$ 163.35	Minimum Bill	\$24.13	17.33%
Over	30,000 gallons	3.90	per 1,000 gallons	4.57	per 1,000 gallons	0.67	17.18%
<u>6" Meter</u>							
First	100,000 gallons	\$ 411.55	Minimum Bill	\$ 483.25	Minimum Bill	\$71.70	17.42%
Over	100,000 gallons	3.90	per 1,000 gallons	4.57	per 1,000 gallons	0.67	17.18%

	Present Rates	Requested Rates	Change	
			\$	%
Wholesale Water Rates				
East Laurel Water District	\$ 2.92 per 1,000 gallons	\$ 3.42 per 1,000 gallons	\$ 0.50	17.12%
West Laurel Water Association	2.92 per 1,000 gallons	3.42 per 1,000 gallons	0.50	17.12%
City of Livingston	2.92 per 1,000 gallons	3.42 per 1,000 gallons	0.50	17.12%

Monthly Sewer Service Rates

	Present Rates	Requested Rates	Change	
			\$	%
5/8" X 3/4" Meter				
First 2,000 gallons	\$ 20.69 Minimum Bill	\$ 24.22 Minimum Bill	\$ 3.53	17.06%
Next 1,500 gallons	7.50 per 1,000 gallons	8.78 per 1,000 gallons	1.28	17.07%
Next 1,500 gallons	6.95 per 1,000 gallons	8.14 per 1,000 gallons	1.19	17.12%
Next 2,500 gallons	6.23 per 1,000 gallons	7.29 per 1,000 gallons	1.06	17.01%
Over 7,500 gallons	5.43 per 1,000 gallons	6.36 per 1,000 gallons	0.93	17.13%
1" Meter				
First 5,000 gallons	\$ 42.37 Minimum Bill	\$ 49.60 Minimum Bill	\$ 7.23	17.06%
Next 2,500 gallons	6.23 per 1,000 gallons	7.29 per 1,000 gallons	1.06	17.01%
Over 7,500 gallons	5.43 per 1,000 gallons	6.36 per 1,000 gallons	0.93	17.13%
2" Meter				
First 20,000 gallons	\$ 125.82 Minimum Bill	\$ 147.30 Minimum Bill	\$ 21.48	17.07%
Over 20,000 gallons	5.43 per 1,000 gallons	6.36 per 1,000 gallons	0.93	17.13%
3" Meter				
First 30,000 gallons	\$ 180.12 Minimum Bill	\$ 210.87 Minimum Bill	\$ 30.75	17.07%
Over 30,000 gallons	5.43 per 1,000 gallons	6.36 per 1,000 gallons	0.93	17.13%
6" Meter				
First 100,000 gallons	\$ 560.22 Minimum Bill	\$ 655.85 Minimum Bill	\$ 95.63	17.07%
Over 100,000 gallons	5.43 per 1,000 gallons	6.36 per 1,000 gallons	0.93	17.13%

A customer with a 5/8" X 3/4" meter who uses 4,000 gallons of water per month will experience the following increase to their monthly bill:

	Current Rates	Requested Rates	Change	
			\$	%
Water Only	\$ 33.50	\$ 39.21	\$ 5.71	17.04%
Sewer Only	35.42	41.46	6.04	17.05%
Combined Water and Sewer	68.92	80.67	11.75	17.05%

A person may examine the rate application at the offices of the Wood Creek located at 1670 Hal Rogers Parkway, London, Kentucky 40741.

A person may examine the application at the PSC's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Commission's Web site at <http://psc.ky.gov>.

A copy of the PSC Staff report can be found at:

http://psc.ky.gov/PSC_WebNet/ViewCaseFilings.aspx?case=2015-00428.

Any person may submit comments on the proposed rates. Comments shall be in writing and shall be submitted to the Executive Director, Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602. Comments may also be submitted by electronic mail to psc.info@ky.gov. If the Commission does not receive any objections or requests for intervention establishing the grounds for the request including the status and interest of the party or requests for hearing in this matter within thirty (30) days of initial publication or mailing of the notice, the commission may take final action on the application and shall proceed to render a decision in the matter.

**WEST LAUREL WATER ASSOCIATION
WATER PURCHASED FROM WOOD CREEK WATER DISTRICT
TWELVE MONTHS ENDING JULY 2016**

<u>MONTH</u>	<u>GALLONS PURCHASED</u>	<u>AMOUNT</u>
July 2016	33,271,300	\$97,152.20
June 2016	31,417,700	91,739.68
May 2016	28,352,000	82,787.84
April 2016	26,628,400	77,754.93
March 2016	26,967,300	78,744.52
February 2016	26,741,204	78,084.32
January 2016	29,430,796	85,937.92
December 2015	28,555,200	83,381.18
November 2015	27,949,700	81,613.12
October 2015	32,073,600	93,654.91
September 2015	34,086,300	99,532.00
August 2015	41,546,200	121,314.90
	<u>367,019,700</u>	<u>1,071,697.52</u>

Exhibit C

**WEST LAUREL WATER ASSOCIATION
WATER SALES
TWELVE MONTHS ENDING JULY 2016**

<u>MONTH</u>	<u>GALLONS SOLD</u>
July 2016	25,960,400
June 2016	24,426,100
May 2016	21,674,300
April 2016	21,723,100
March 2016	17,234,800
February 2016	21,585,400
January 2016	21,384,000
December 2015	17,595,400
November 2015	19,851,700
October 2015	22,447,300
September 2015	25,172,500
August 2015	24,548,700
	<u>263,603,700</u>

Exhibit D

**WEST LAUREL WATER ASSOCIATION
INCREASED WATER COST**

Cost of water purchased at new rate:
367,019,700 gallons / 1000 X \$3.42 \$1,255,207.37

Cost of water purchased at current rate:
367,019,700 gallons / 1000 X \$2.92 \$1,071,697.52

Increased water cost \$183,509.85

Purchased water adjustment factor:
\$183,509.85 / 263,603,700 gallons \$0.70 per 1,000 gallons

Exhibit E

West Laurel Water Association
 Schedule listing current and proposed rates

<u>Rates</u>	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>\$ Change</u>	<u>% Change</u>
<u>5/8" x 3/4" Meter:</u>				
First 1,000 gallons	\$11.74 Minimum bill	\$12.44 Minimum bill	\$0.70	5.96%
Next 2,000 gallons	6.87 per 1,000 gallons	7.57 per 1,000 gallons	0.70	10.19%
Next 2,000 gallons	6.51 per 1,000 gallons	7.21 per 1,000 gallons	0.70	10.75%
Next 5,000 gallons	6.06 per 1,000 gallons	6.76 per 1,000 gallons	0.70	11.55%
Over 10,000 gallons	4.89 per 1,000 gallons	5.59 per 1,000 gallons	0.70	14.31%
<u>1" Meter:</u>				
First 5,000 gallons	\$38.50 Minimum bill	\$42.00 Minimum bill	\$3.50	9.09%
Next 5,000 gallons	6.06 per 1,000 gallons	6.76 per 1,000 gallons	0.70	11.55%
Over 10,000 gallons	4.89 per 1,000 gallons	5.59 per 1,000 gallons	0.70	14.31%
<u>2" Meter:</u>				
First 20,000 gallons	\$117.70 Minimum bill	\$131.70 Minimum bill	\$14.00	11.89%
Over 20,000 gallons	4.89 per 1,000 gallons	5.59 per 1,000 gallons	0.70	14.31%
<u>3" Meter:</u>				
First 30,000 gallons	\$166.60 Minimum bill	\$187.60 Minimum bill	\$21.00	12.61%
Over 30,000 gallons	4.89 per 1,000 gallons	5.59 per 1,000 gallons	0.70	14.31%
Wholesale rate	\$4.46 per 1,000 gallons	\$5.16 per 1,000 gallons	\$0.70	15.70%

EXHIBIT F

The
**SENTINEL
ECHO**

P.O. 830 • 123 West Fifth St.
London, KY 40743-0830
606-878-7400
FAX 606-878-7404

NEWSPAPER AFFIDAVIT

I, **James Marcum**, Production Assistant, of The Sentinel-Echo Newspaper published at London, Kentucky and having the largest general circulation of any newspaper in Laurel County, Kentucky, do hereby certify that from my own knowledge and a check of the files of this newspaper that the advertisement of

Notice of Rate Increase

was published in the legal section of our newspaper on _____

Monday August 22nd, 2016

Signature: James D. Marcum

Subscribed and sworn before me by JAMES MARCUM

this 22 day of AUGUST, 2016.

Notary Public James D. Lewis

My commission expires 10-20-2019

LEGAL NOTICE

Notice is hereby given that because of an increase in the cost of water purchased from the Wood Creek Water District, the West Laurel Water Association has filed an application with the Kentucky Public Service Commission to increase water service rates as follows:

	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>\$ Change</u>	<u>% Change</u>
<u>5/8" x 3/4" Meter:</u>				
First 1,000 gallons	\$11.74 Minimum bill	\$12.44 Minimum bill	\$0.70	5.96%
Next 2,000 gallons	6.87 per 1,000 gallons	7.57 per 1,000 gallons	0.70	10.19%
Next 2,000 gallons	6.51 per 1,000 gallons	7.21 per 1,000 gallons	0.70	10.75%
Next 5,000 gallons	6.06 per 1,000 gallons	6.76 per 1,000 gallons	0.70	11.55%
Over 10,000 gallons	4.89 per 1,000 gallons	5.59 per 1,000 gallons	0.70	14.31%
<u>1" Meter:</u>				
First 5,000 gallons	\$38.50 Minimum bill	\$42.00 Minimum bill	\$3.50	9.09%
Next 5,000 gallons	6.06 per 1,000 gallons	6.76 per 1,000 gallons	0.70	11.55%
Over 10,000 gallons	4.89 per 1,000 gallons	5.59 per 1,000 gallons	0.70	14.31%
<u>2" Meter:</u>				
First 20,000 gallons	\$117.70 Minimum bill	\$131.70 Minimum bill	\$14.00	11.89%
Over 20,000 gallons	4.89 per 1,000 gallons	5.59 per 1,000 gallons	0.70	14.31%
<u>3" Meter:</u>				
First 30,000 gallons	\$166.60 Minimum bill	\$187.60 Minimum bill	\$21.00	12.61%
Over 30,000 gallons	4.89 per 1,000 gallons	5.59 per 1,000 gallons	0.70	14.31%
Wholesale rate	\$4.46 per 1,000 gallons	\$5.16 per 1,000 gallons	\$0.70	15.70%

A customer with a 5/8" x 3/4" meter who uses 4,000 gallons of water per month will experience the following increase to their monthly bill:

<u>Present Rates</u>	<u>Proposed Rates</u>	<u>\$ Change</u>	<u>% Change</u>
\$31.99	\$34.79	\$2.80	8.75%

The rates contained in this notice are the rates proposed by the West Laurel Water Association. However, the Public Service Commission may order rates to be charged that differ from the rates contained in this notice. The proposed effective date for the new rates is September 22, 2016.

A person may examine the rate application at the offices of the West Laurel Water Association located at 1670 East Hal Rogers Parkway, London, KY 40741.

A person may examine the application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Commission's Web site at <http://psc.ky.gov>.

Any person may submit comments on the proposed rates. Comments shall be in writing and shall be submitted to the Executive Director, Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602. Comments may also be submitted by electronic mail to psc.info@ky.gov. If the Commission does not receive any objections or requests for intervention establishing the grounds for the request including the status and interest of the party or requests for hearing in this matter within thirty (30) days of initial publication or mailing of the notice, the Commission may take final action on the application and shall proceed to render a decision in the matter.

EXHIBIT G

WEST LAUREL WATER ASSOCIATION

1670 East Hal Rogers Parkway
P.O. Box 726
London, Kentucky 40743-0726

BOARD OF DIRECTORS MEETING AUGUST 12, 2016

The Directors of the West Laurel Water Association were called to order at the Water District Office on August 12, 2016 at 3:00 pm.

Present were Directors Monty Turner and Otis Williams. Also present were Donta Evans, Jay Williams and Dewayne Lewis.

Copies of the minutes of the meeting on July 8, 2016 were distributed to the Board and the reading aloud was dispensed with. Motion was made by Monty Turner and seconded by Otis Williams to accept the minutes as read. Motion carried with each director voting aye.

Motion was made by Monty Turner and seconded by Otis Williams approving payment of July accounts. List of all payments attached hereto. Motion carried with each director voting aye.

OLD BUSINESS


None.

NEW BUSINESS

Purchase water rate adjustment:

The Board was informed that Wood Creek Water District was approved by the Public Service Commission for an increase in its water service rates. The cost of water purchased from Wood Creek Water District will increase from \$2.92 per 1,000 gallons to \$3.42 per 1,000 gallons. After discussion, the Board decided that a purchased water rate adjustment needs to be done to absorb the increased cost of water purchases. The purchased water adjustment form indicates that an increase of \$0.70 per 1,000 gallons will be needed to cover the increased water purchase cost. A motion was made by Monty Turner to authorize the filing of a purchase water rate adjustment application with the Public Service Commission. Motion was seconded by Otis Williams. Motion carried with each director voting aye.

There being no further business to come before the board the meeting adjourned upon motion by Monty Turner. Said motion was seconded by Otis Williams. Motion carried.



Otis Williams, President

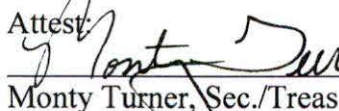
Attest:

Monty Turner, Sec./Treas

EXHIBIT H