



Warren County  
Water District

Providing high-quality  
water and wastewater  
services to families and  
businesses throughout  
Warren County.

*Delivering Quality  
and Commitment  
in Every Drop*

RECEIVED

DEC 9 2016

PUBLIC SERVICE  
COMMISSION

December 8, 2016

MS TALINA R. MATHEWS  
EXECUTIVE DIRECTOR  
PUBLIC SERVICE COMMISSION  
P O BOX 615  
FRANKFORT KY 40602

RE: Purchased Water Adjustment Case No. 2016-00430

Dear Ms. Mathews:

Bowling Green Municipal Utilities, our wholesale water supplier, is increasing our wholesale water rate effective January 1, 2017. Warren County Water District intends to pass this increase through to our retail customers in accordance with 807 KAR 5:068. In addition, we are requesting that the proposed rate increase to our customers be effective January 1, 2017.

In support of our application for this Purchased Water Adjustment, enclosed are the original and 10 copies of the following documents:

1. Purchased Water Adjustment application form.
2. Exhibit A – Computation of Purchase Water Adjustment.
3. Exhibit B – Letter from Bowling Green Municipal Utilities (supplier's notice of changed rate).
4. Exhibit C – Current and Proposed Rates
5. Exhibit D – Excerpt of Minutes of Board approval of wholesale rate authorization for retail rate increase.

We will be providing the required notice to customers with an ad in the Daily News in the near future.

If you have any questions or need additional information, please let me know.

Sincerely,

John M. Dix, P.E.  
General Manager

JMD:sa


Enclosures

RECEIVED

DEC 9 2016

PUBLIC SERVICE  
COMMISSIONPURCHASED WATER ADJUSTMENT FOR  
WATER DISTRICTS AND WATER ASSOCIATIONS  
(807 KAR 5:068)

Name of Utility	Warren County Water District		
Date	December 6, 2016		
Address	523 U.S. 31W Bypass; P.O. Box 10180		
City, State, Zip	Bowling Green, KY	42101	
Telephone Number	270-842-0052		
Email Address	johnd@warrenwater.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	
See Exhibit A			
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	November 2015	through	October 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.			

Supplier(s)	Gallons Purchased during 12 month period
See Exhibit A	2,898,676,964
TOTAL PURCHASES	
4. Total gallons sold for the 12 month period	2,543,256,000
5. Increased water cost	\$865,250.00
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 A	
6. Purchased water adjustment factor	\$0.35
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 C	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit D	
9. Proposed effective date	January 1, 2016
	
Signature of Utility Officer	
Chairman	
Title	

## EXHIBIT A

**EXHIBIT A**  
**2016 Purchase Water Adjustment**  
Warren County Water District  
Effective January 1, 2017

**Water Purchased from Bowling Green Municipal Utilities**

<u>Water Purchase Point</u>	<u>Annual Gals Purchased</u>	<u>Base Rate</u>	<u>Water Cost at Base Rate</u>	<u>New Rate</u>	<u>Water Cost at New Rate</u>	<u>Increased Water Cost</u>
Southside	28,068	\$1.8285	\$51	\$1.9158	\$54	\$2
Cemetery Road	1,746,042,058	\$1.0608	1,852,201	\$1.3309	2,323,807	471,606
Morgantown Road	249,388,213	\$1.0838	270,287	\$1.4312	356,924	86,637
Northside	903,218,625	\$1.0525	950,638	\$1.3924	1,257,642	307,004
Totals	2,898,676,964		\$3,073,177		\$3,938,427	\$865,250
<b>Total Water Sold ( x 1000)</b>						2,543,256
<b>Increased Water Cost</b>						\$865,250
<b>Purchased Water Adjustment</b>						\$0.35

**Wholesale Rate for Sales Back to BGMU at Cemetery Road**

<u>Water Service Area</u>	<u>Annual Gals Purchased</u>	<u>Base Rate</u>	<u>Water Cost at Base Rate</u>	<u>New Rate</u>	<u>Water Cost at New Rate</u>	<u>Increased Water Cost</u>
Southside	28,068	\$1.8285	\$51	\$1.9158	\$54	\$2
Cemetery Road	1,746,042,058	\$1.0608	1,852,201	\$1.3309	2,323,807	471,606
Totals			\$1,852,253		\$2,323,861	\$471,608
<b>Total Water Sold ( x 1000)</b>						1,562,854
<b>Increased Water Cost</b>						\$471,608
<b>Purchased Water Adjustment</b>						\$0.3018
<b>Ex. Wholesale Rate to BGMU</b>						\$1.3129
<b>New Wholesale Rate to BGMU</b>						\$1.6147

## EXHIBIT B



November 23, 2016

Mr. John Dix  
General Manager  
Warren County Water District  
523 US Hwy 31W Bypass  
P.O. Box 10180  
Bowling Green, KY 42102-4780



Dear Mr. Dix:

Please find enclosed a notice of the Wholesale Utility Service Rate Change agreed upon between Bowling Green Municipal Utilities and Warren County Water District. As indicated, the proposed effective date is January 1, 2017.

Please review the attached at your convenience and let me know if you have any questions or concerns.

Thank you.

A handwritten signature in black ink, appearing to read "Mark Iverson".

Mark Iverson  
General Manager

cc: Mr. Mike Gardner – BGMU  
Mr. Gary Bridges – BGMU  
Mr. Brent Kirtley – PSC

Enc: PSC Rate Change Notice

## NOTICE

Bowling Green Municipal Utilities (BGMU) has filed a proposed rate schedule which will increase the rates for water service and decrease the rate for sewer service provided to Warren County Water District (WCWD) as follows:

<u>Water Service</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>% Change</u>
Southside(formerly known as Westside)	\$1.8285 per 1000 gallons	\$1.9158 per 1000 gallons	5% Increase
Morgantown Road Areas	\$1.0838 per 1000 gallons	\$1.4312 per 1000 gallons	32% Increase
Northside Area	\$1.0525 per 1000 gallons	\$1.3924 per 1000 gallons	32% Increase
Cemetery Road	\$1.0608 per 1000 gallons	\$1.3309 per 1000 gallons	25% Increase

<u>Sewer Service</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>% Change</u>
All Connection Points	\$3.2473 per 1000 gallons	\$2.4917 per 1000 gallons	23% Decrease

The proposed effective date is January 1, 2017.

The rates contained in this notice are the rates proposed by Bowling Green Municipal Utilities. However, the Public Service Commission 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 thirty (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 application and any other filings made by the utility by contacting Mark Iverson, Bowling Green Municipal Utilities, PO Box 10300, Bowling Green, Kentucky 42102-7300; telephone 270-782-1200.

Any person may examine the rate application and other filings made by visiting the offices of Bowling Green Municipal Utilities or by contacting the Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky, 40602-0615 or telephone (502)564-3940.



## EXHIBIT C

# EXHIBIT C

## CURRENT MONTHLY RATES

### A. MONTHLY RATES\*

#### 1. General Service

##### 5/8 x 3/4 Inch Meter

First	2,000 Gallons	\$11.16	Minimum Bill
Next	8,000 Gallons	3.41	per 1,000 Gallons
Next	90,000 Gallons	2.74	per 1,000 Gallons
Next	900,000 Gallons	2.29	per 1,000 Gallons
Over	1,000,000 Gallons	1.95	per 1,000 Gallons

##### 3/4-Inch Meter

First	3,000 Gallons	\$14.57	Minimum Bill
Next	7,000 Gallons	3.41	per 1,000 Gallons
Next	90,000 Gallons	2.74	per 1,000 Gallons
Next	900,000 Gallons	2.29	per 1,000 Gallons
Over	1,000,000 Gallons	1.95	per 1,000 Gallons

##### 1-Inch Meter

First	5,000 Gallons	\$21.82	Minimum Bill
Next	5,000 Gallons	3.41	per 1,000 Gallons
Next	90,000 Gallons	2.74	per 1,000 Gallons
Next	900,000 Gallons	2.29	per 1,000 Gallons
Over	1,000,000 Gallons	1.95	per 1,000 Gallons

##### 1-1/2-Inch Meter

First	10,000 Gallons	\$41.47	Minimum Bill
Next	90,000 Gallons	2.74	per 1,000 Gallons
Next	900,000 Gallons	2.29	per 1,000 Gallons
Over	1,000,000 Gallons	1.95	per 1,000 Gallons

##### 2-Inch Meter

First	15,000 Gallons	\$55.81	Minimum Bill
Next	85,000 Gallons	2.74	per 1,000 Gallons
Next	900,000 Gallons	2.29	per 1,000 Gallons
Over	1,000,000 Gallons	1.95	per 1,000 Gallons

##### 3-Inch Meter

First	20,000 Gallons	\$81.15	Minimum Bill
Next	80,000 Gallons	2.74	per 1,000 Gallons
Next	900,000 Gallons	2.29	per 1,000 Gallons
Over	1,000,000 Gallons	1.95	per 1,000 Gallons

##### 4-Inch Meter

First	30,000 Gallons	\$135.28	Minimum Bill
Next	70,000 Gallons	2.74	per 1,000 Gallons
Next	900,000 Gallons	2.29	per 1,000 Gallons
Over	1,000,000 Gallons	1.95	per 1,000 Gallons

#### 6-Inch Meter

First	50,000	Gallons	\$204.73	Minimum Bill
Next	50,000	Gallons	2.74	per 1,000 Gallons
Next	900,000	Gallons	2.29	per 1,000 Gallons
Over 1,000,000	Gallons	1.95	per 1,000 Gallons	

#### 8-Inch Meter

First	80,000	Gallons	\$298.99	Minimum Bill
Next	20,000	Gallons	2.74	per 1,000 Gallons
Next	900,000	Gallons	2.29	per 1,000 Gallons
Over 1,000,000	Gallons	1.95	per 1,000 Gallons	

#### 10-Inch Meter

First	120,000	Gallons	\$421.38	Minimum Bill
Next	880,000	Gallons	2.29	per 1,000 Gallons
Over 1,000,000	Gallons	1.95	per 1,000 Gallons	

\*These rates apply to all customer classifications and are subject to 10 percent penalty if paid after the due date.

## **PROPOSED MONTHLY RATES**

### **A. MONTHLY RATES\***

#### **1. General Service**

##### 5/8 x 3/4 Inch Meter

First	2,000	Gallons	\$11.86	Minimum Bill
Next	8,000	Gallons	3.76	per 1,000 Gallons
Next	90,000	Gallons	3.09	per 1,000 Gallons
Next	900,000	Gallons	2.64	per 1,000 Gallons
Over 1,000,000	Gallons	2.30	per 1,000 Gallons	

##### 3/4-Inch Meter

First	3,000	Gallons	\$15.62	Minimum Bill
Next	7,000	Gallons	3.76	per 1,000 Gallons
Next	90,000	Gallons	3.09	per 1,000 Gallons
Next	900,000	Gallons	2.64	per 1,000 Gallons
Over 1,000,000	Gallons	2.30	per 1,000 Gallons	

##### 1-Inch Meter

First	5,000	Gallons	\$23.57	Minimum Bill
Next	5,000	Gallons	3.76	per 1,000 Gallons
Next	90,000	Gallons	3.09	per 1,000 Gallons
Next	900,000	Gallons	2.64	per 1,000 Gallons
Over	1,000,000	Gallons	2.30	per 1,000 Gallons

##### 1-1/2-Inch Meter

First	10,000	Gallons	\$44.97	Minimum Bill
Next	90,000	Gallons	3.09	per 1,000 Gallons
Next	900,000	Gallons	2.64	per 1,000 Gallons
Over	1,000,000	Gallons	2.30	per 1,000 Gallons

#### 2-Inch Meter

First	15,000	Gallons	\$61.06	Minimum Bill
Next	85,000	Gallons	3.09	per 1,000 Gallons
Next	900,000	Gallons	2.64	per 1,000 Gallons
Over	1,000,000	Gallons	2.30	per 1,000 Gallons

#### 3-Inch Meter

First	20,000	Gallons	\$88.15	Minimum Bill
Next	80,000	Gallons	3.09	per 1,000 Gallons
Next	900,000	Gallons	2.64	per 1,000 Gallons
Over	1,000,000	Gallons	2.30	per 1,000 Gallons

#### 4-Inch Meter

First	30,000	Gallons	\$145.78	Minimum Bill
Next	70,000	Gallons	3.09	per 1,000 Gallons
Next	900,000	Gallons	2.64	per 1,000 Gallons
Over	1,000,000	Gallons	2.30	per 1,000 Gallons

#### 6-Inch Meter

First	50,000	Gallons	\$222.23	Minimum Bill
Next	50,000	Gallons	3.09	per 1,000 Gallons
Next	900,000	Gallons	2.64	per 1,000 Gallons
Over	1,000,000	Gallons	2.30	per 1,000 Gallons

#### 8-Inch Meter

First	80,000	Gallons	\$326.99	Minimum Bill
Next	20,000	Gallons	3.09	per 1,000 Gallons
Next	900,000	Gallons	2.64	per 1,000 Gallons
Over	1,000,000	Gallons	2.30	per 1,000 Gallons

#### 10-Inch Meter

First	120,000	Gallons	\$463.38	Minimum Bill
Next	880,000	Gallons	2.64	per 1,000 Gallons
Over	1,000,000	Gallons	2.30	per 1,000 Gallons

\*These rates apply to all customer classifications and are subject to 10 percent penalty if paid after the due date.

## EXHIBIT D



**EXCERPTS OF MINUTES OF A  
REGULAR MEETING OF THE  
WARREN COUNTY WATER DISTRICT**

The Board of Commissioners of the Warren County Water District met in regular session on October 25, 2016, at 4:00 p.m. at 523 U.S. Hwy 31-W Bypass, Bowling Green, Kentucky. The meeting was called to order with Henry Honaker, Chairman, presiding, and the following other members of the Commission present: Thomas A. Donnelly, Vice-Chairman; Glen Johnson, Secretary; Joe Taylor, Sr., Treasurer; and R. Harvey Johnston, III. Also present were Frank Hampton Moore, Jr., Attorney; Ryan Leisey, Manager of Engineering & Construction, Jeff Peebles, Manager of Finance and Administration, and John Dix, General Manager.

\* \* \*

(Other Business)

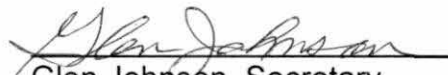
The results of the wholesale rate study for both water and wastewater were reviewed. Schedules of proposed retail water and sewer rates were presented along with a comparison of retail bills for the larger systems in Kentucky. Mr. Johnston made a motion to approve the wholesale rates as recommended by the Joint Committee and to proceed with filing a Purchased Water Adjustment with the Public Service Commission followed by implementation of the retail rate increase. Mr. Donnelly seconded the motion and all voted "aye."

(Other Business)

\* \* \*

Upon motion and vote the meeting adjourned.

I hereby certify that the foregoing excerpts of minutes are true and correct.

  
Glen Johnson, Secretary  
Warren County Water District