



Warren County
Water District

December 8, 2016

Case No. 2016-00431

RECEIVED

DEC 9 2016

PUBLIC SERVICE
COMMISSION

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

RE: Treated Sewage Adjustment

Dear Ms. Mathews:

Bowling Green Municipal Utilities, our wholesale sewage treatment provider, is decreasing our wholesale sewage treatment rate effective January 1, 2017. Warren County Water District intends to pass this decrease through to our retail customers in accordance with 807 KAR 5:075. In addition, we are requesting that the proposed rate decrease to our customers be effective January 1, 2017.

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

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

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

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

**TREATED SEWAGE ADJUSTMENT
FOR SEWER UTILITIES
(807 KAR 5:075)**

Name of Utility	Warren County Water District – Sewer Division	
Date	December 6, 2016	
Address	523 U.S. 31W Bypass; P.O. Box 10180	
City, State, Zip	Bowling Green, KY	42102
Telephone Number	270-842-0052	
Email address	johnd@warrenwater.com	

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

Provider(s)	Base Rate	Changed Rate
Bowling Green Municipal Utilities	\$3.2473	\$2.4917

1.b. A copy of the provider'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 treated sewage 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 sewage treated. Where sewage treatment is from more than one provider, sewage treatment from each provider must be shown separately. When water purchases are the basis for sewage treatment charges and the water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach additional sheets if necessary.

Provider(s)	Gallons of Sewage Treated during 12 month period
Bowling Green Municipal Utilities	735,110,000
TOTAL	735,110,000

4. Total gallons of water sold for the 12 month period

1,020,260,000

5. Increased cost

(\$555,449)

The increased cost is the difference between the gallons of treated sewage at the base (current rate) and at the new rate. The calculation and all supporting documents used to determine the change in treated sewage costs sufficient to determine the accuracy of the calculation is attached as Exhibit B

When water usage is the basis for the utility's sewage treatment charge, the treated sewage adjustment shall be calculated as a per 1,000 gallon factor.

6. Treated sewage adjustment factor per 1,000 gallons*

(\$0.54)

*The treated sewage adjustment factor is obtained by dividing the increased cost of the sewage treatment by the total gallons of water sold. (Number 5 ÷ (Number 4 ÷ 1,000))

Note: The treated sewage adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the treated sewage adjustment factor would be added to the minimum bill twice.

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When the utility has a flat monthly rate the treated sewage adjustment factor shall be calculated as a flat monthly amount to be added to the current rate.

7. Number of customers or Residential Equivalents	N/A
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8. Treated sewage adjustment (amount to be added to current monthly bill)**	N/A
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**The treated sewage adjustment factor is obtained by dividing the increased cost by the number of customers or residential equivalents and then by 12 months.
 (Number 5 ÷ (Number 7 ÷ 12).

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9. A schedule listing the current and proposed rates is attached as Exhibit C

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10. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit D

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11. Proposed effective date	January 1, 2017
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Signature of Utility Officer

Chairman

Title

EXHIBIT A

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.



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 B

EXHIBIT B
2016 Purchase Water Adjustment
Warren County Water District - Sewer Division
Effective January 1, 2017

SEWER SYSTEM

	<u>Annual Gals Disposed</u>	<u>Base Rate</u>	<u>Disposal Cost at Base Rate</u>	<u>New Rate</u>	<u>Disposal Cost at New Rate</u>	<u>Increased Disposal Cost</u>
All Connection Points	735,110,000	\$3.2473	2,387,123	\$2.4917	1,831,674	(555,449)
				Total Water Sold (x 1000)		1,020,260
				Increased Disposal Cost		(555,449)
				Purchased Water Adjustment		(0.5400)

EXHIBIT C

EXHIBIT

CURRENT MONTHLY GENERAL SERVICE SEWER RATES

5/8" X 3/4" Meter

<u>Step</u>				
1	2,000	Gallons	\$ 11.86	Minimum Bill
2	6,000	Gallons	\$ 5.13	per 1,000 Gallons
3	12,000	Gallons	\$ 3.94	per 1,000 Gallons
4	80,000	Gallons	\$ 3.55	per 1,000 Gallons
5	All Over 100,000	Gallons	\$ 2.93	per 1,000 Gallons

3/4" Meter

<u>Step</u>				
1	3,000	Gallons	\$ 16.99	Minimum Bill
2	5,000	Gallons	\$ 5.13	per 1,000 Gallons
3	12,000	Gallons	\$ 3.94	per 1,000 Gallons
4	80,000	Gallons	\$ 3.55	per 1,000 Gallons
5	All Over 100,000	Gallons	\$ 2.93	per 1,000 Gallons

1" Meter

<u>Step</u>				
1	5,000	Gallons	\$ 27.25	Minimum Bill
2	3,000	Gallons	\$ 5.13	per 1,000 Gallons
3	12,000	Gallons	\$ 3.94	per 1,000 Gallons
4	80,000	Gallons	\$ 3.55	per 1,000 Gallons
5	All Over 100,000	Gallons	\$ 2.93	per 1,000 Gallons

1 1/2" Meter

<u>Step</u>				
1	10,000	Gallons	\$ 50.55	Minimum Bill
2	10,000	Gallons	\$ 3.94	per 1,000 Gallons
3	80,000	Gallons	\$ 3.55	per 1,000 Gallons
4	All Over 100,000	Gallons	\$ 2.93	per 1,000 Gallons

2" Meter

<u>Step</u>				
1	16,000	Gallons	\$ 74.16	Minimum Bill
2	4,000	Gallons	\$ 3.94	per 1,000 Gallons
3	80,000	Gallons	\$ 3.55	per 1,000 Gallons
4	All Over 100,000	Gallons	\$ 2.93	per 1,000 Gallons

3" Meter

<u>Step</u>				
1	30,000	Gallons	\$125.42	Minimum Bill
2	70,000	Gallons	\$ 3.55	per 1,000 Gallons
3	All Over 100,000	Gallons	\$ 2.93	per 1,000 Gallons

4" Meter

<u>Step</u>				
1	50,000	Gallons	\$196.42	Minimum Bill
2	50,000	Gallons	\$ 3.55	per 1,000 Gallons
3	All Over 100,000	Gallons	\$ 2.93	per 1,000 Gallons

6" Meter

<u>Step</u>				
1	100,000	Gallons	\$373.92	Minimum Bill
2	All Over 100,000	Gallons	\$ 2.93	per 1,000 Gallons

The rates to be charged for water used in excess of the minimum usage amount are the same regardless of meter size. All rates are subject to a 10 percent penalty if paid after the due date.

**CURRENT MONTHLY GENERAL SERVICE SEWER RATES
FOR USERS INSIDE THE CITY OF SMITHS GROVE**

5/8" X 3/4" Meter

<u>Step</u>				
1	2,000	Gallons	\$ 18.30	Minimum Bill
2	6,000	Gallons	\$ 5.30	per 1,000 Gallons
3	12,000	Gallons	\$ 5.10	per 1,000 Gallons
4	80,000	Gallons	\$ 4.50	per 1,000 Gallons
5	All Over 100,000	Gallons	\$ 3.70	per 1,000 Gallons

3/4" Meter

<u>Step</u>				
1	3,000	Gallons	\$ 23.60	Minimum Bill
2	5,000	Gallons	\$ 5.30	per 1,000 Gallons
3	12,000	Gallons	\$ 5.10	per 1,000 Gallons
4	80,000	Gallons	\$ 4.50	per 1,000 Gallons
5	All Over 100,000	Gallons	\$ 3.70	per 1,000 Gallons

1" Meter

<u>Step</u>				
1	5,000	Gallons	\$ 34.20	Minimum Bill
2	3,000	Gallons	\$ 5.30	per 1,000 Gallons
3	12,000	Gallons	\$ 5.10	per 1,000 Gallons
4	80,000	Gallons	\$ 4.50	per 1,000 Gallons
5	All Over 100,000	Gallons	\$ 3.70	per 1,000 Gallons

1 1/2" Meter

<u>Step</u>				
1	10,000	Gallons	\$ 60.30	Minimum Bill
2	10,000	Gallons	\$ 5.10	per 1,000 Gallons
3	80,000	Gallons	\$ 4.50	per 1,000 Gallons
4	All Over 100,000	Gallons	\$ 3.70	per 1,000 Gallons

2" Meter

<u>Step</u>				
1	16,000	Gallons	\$ 89.90	Minimum Bill
2	4,000	Gallons	\$ 5.10	per 1,000 Gallons
3	80,000	Gallons	\$ 4.50	per 1,000 Gallons
4	All Over 100,000	Gallons	\$ 3.70	per 1,000 Gallons

3" Meter

<u>Step</u>				
1	30,000	Gallons	\$156.30	Minimum Bill
2	70,000	Gallons	\$ 4.50	per 1,000 Gallons
3	All Over 100,000	Gallons	\$ 3.70	per 1,000 Gallons

4" Meter

<u>Step</u>				
1	50,000	Gallons	\$246.30	Minimum Bill
2	50,000	Gallons	\$ 4.50	per 1,000 Gallons
3	All Over 100,000	Gallons	\$ 3.70	per 1,000 Gallons

6" Meter

<u>Step</u>				
1	100,000	Gallons	\$471.30	Minimum Bill
2	All Over 100,000	Gallons	\$ 3.70	per 1,000 Gallons

The rates to be charged for water used in excess of the minimum usage amount are the same regardless of meter size. All rates are subject to a 10 percent penalty if paid after the due date.

PROPOSED MONTHLY GENERAL SERVICE SEWER RATES

5/8" X 3/4" Meter

<u>Step</u>				
1	2,000	Gallons	\$ 10.78	Minimum Bill
2	6,000	Gallons	\$ 4.59	per 1,000 Gallons
3	12,000	Gallons	\$ 3.40	per 1,000 Gallons
4	80,000	Gallons	\$ 3.01	per 1,000 Gallons
5	All Over 100,000	Gallons	\$ 2.39	per 1,000 Gallons

3/4" Meter

<u>Step</u>				
1	3,000	Gallons	\$ 15.37	Minimum Bill
2	5,000	Gallons	\$ 4.59	per 1,000 Gallons
3	12,000	Gallons	\$ 3.40	per 1,000 Gallons
4	80,000	Gallons	\$ 3.01	per 1,000 Gallons
5	All Over 100,000	Gallons	\$ 2.39	per 1,000 Gallons

1" Meter

<u>Step</u>				
1	5,000	Gallons	\$ 24.55	Minimum Bill
2	3,000	Gallons	\$ 4.59	per 1,000 Gallons
3	12,000	Gallons	\$ 3.40	per 1,000 Gallons
4	80,000	Gallons	\$ 3.01	per 1,000 Gallons
5	All Over 100,000	Gallons	\$ 2.39	per 1,000 Gallons

1 1/2" Meter

<u>Step</u>				
1	10,000	Gallons	\$ 45.15	Minimum Bill
2	10,000	Gallons	\$ 3.40	per 1,000 Gallons
3	80,000	Gallons	\$ 3.01	per 1,000 Gallons
4	All Over 100,000	Gallons	\$ 2.39	per 1,000 Gallons

2" Meter

<u>Step</u>				
1	16,000	Gallons	\$ 65.52	Minimum Bill
2	4,000	Gallons	\$ 3.40	per 1,000 Gallons
3	80,000	Gallons	\$ 3.01	per 1,000 Gallons
4	All Over 100,000	Gallons	\$ 2.39	per 1,000 Gallons

3" Meter

<u>Step</u>				
1	30,000	Gallons	\$109.22	Minimum Bill
2	70,000	Gallons	\$ 3.01	per 1,000 Gallons
3	All Over 100,000	Gallons	\$ 2.39	per 1,000 Gallons

4" Meter

<u>Step</u>				
1	50,000	Gallons	\$169.42	Minimum Bill
2	50,000	Gallons	\$ 3.01	per 1,000 Gallons
3	All Over 100,000	Gallons	\$ 2.39	per 1,000 Gallons

6" Meter

<u>Step</u>				
1	100,000	Gallons	\$319.92	Minimum Bill
2	All Over 100,000	Gallons	\$ 2.39	per 1,000 Gallons

The rates to be charged for water used in excess of the minimum usage amount are the same regardless of meter size. All rates are subject to a 10 percent penalty if paid after the due date.

**PROPOSED MONTHLY GENERAL SERVICE SEWER RATES
FOR USERS INSIDE THE CITY OF SMITHS GROVE**

5/8" X 3/4" Meter

<u>Step</u>				
1	2,000	Gallons	\$ 17.22	Minimum Bill
2	6,000	Gallons	\$ 4.76	per 1,000 Gallons
3	12,000	Gallons	\$ 4.56	per 1,000 Gallons
4	80,000	Gallons	\$ 3.96	per 1,000 Gallons
5	All Over 100,000	Gallons	\$ 3.16	per 1,000 Gallons

3/4" Meter

<u>Step</u>				
1	3,000	Gallons	\$ 21.98	Minimum Bill
2	5,000	Gallons	\$ 4.76	per 1,000 Gallons
3	12,000	Gallons	\$ 4.56	per 1,000 Gallons
4	80,000	Gallons	\$ 3.96	per 1,000 Gallons
5	All Over 100,000	Gallons	\$ 3.16	per 1,000 Gallons

1" Meter

<u>Step</u>				
1	5,000	Gallons	\$ 31.50	Minimum Bill
2	3,000	Gallons	\$ 4.76	per 1,000 Gallons
3	12,000	Gallons	\$ 4.56	per 1,000 Gallons
4	80,000	Gallons	\$ 3.96	per 1,000 Gallons
5	All Over 100,000	Gallons	\$ 3.16	per 1,000 Gallons

1 1/2" Meter

<u>Step</u>				
1	10,000	Gallons	\$ 54.90	Minimum Bill
2	10,000	Gallons	\$ 4.56	per 1,000 Gallons
3	80,000	Gallons	\$ 3.96	per 1,000 Gallons
4	All Over 100,000	Gallons	\$ 3.16	per 1,000 Gallons

2" Meter

<u>Step</u>				
1	16,000	Gallons	\$ 81.26	Minimum Bill
2	4,000	Gallons	\$ 4.56	per 1,000 Gallons
3	80,000	Gallons	\$ 3.96	per 1,000 Gallons
4	All Over 100,000	Gallons	\$ 3.16	per 1,000 Gallons

3" Meter

<u>Step</u>				
1	30,000	Gallons	\$140.10	Minimum Bill
2	70,000	Gallons	\$ 3.96	per 1,000 Gallons
3	All Over 100,000	Gallons	\$ 3.16	per 1,000 Gallons

4" Meter

<u>Step</u>				
1	50,000	Gallons	\$219.30	Minimum Bill
2	50,000	Gallons	\$ 3.96	per 1,000 Gallons
3	All Over 100,000	Gallons	\$ 3.16	per 1,000 Gallons

6" Meter

<u>Step</u>				
1	100,000	Gallons	\$417.30	Minimum Bill
2	All Over 100,000	Gallons	\$ 3.16	per 1,000 Gallons

The rates to be charged for water used in excess of the minimum usage amount are the same regardless of meter size. All rates are subject to a 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)

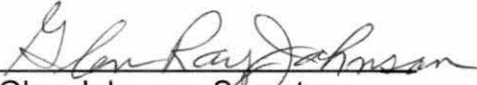
The results of the wholesale rate study for both water and wastewater were reviewed. Schedules of proposed retail water and sewer rates were presented along with a comparison of retail bills for the larger systems in Kentucky. Mr. Johnston made a motion to approve the wholesale rates as recommended by 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