

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF WEST LAUREL)	CASE NO.
WATER ASSOCIATION, INC. FOR A RATE)	2022-00120
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

NOTICE OF FILING OF COMMISSION STAFF'S REPORT

Notice is hereby given that, in accordance with the Commission's Order of May 2, 2022 and amended Order on August 22, 2022, the attached report containing the findings of Commission Staff regarding the Applicant's proposed rate adjustment has been filed in the record of the above-styled proceeding. Pursuant to the Commission's May 2, 2022 Order, West Laurel Water Association, Inc. (West Laurel Water) is required to file written comments regarding the findings of Commission Staff no later than 14 days from the date of this report. The Commission directs West Laurel Water to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED AUG 31 2022

cc: Parties of Record

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF WEST LAUREL)	CASE NO.
WATER ASSOCIATION, INC. FOR A RATE)	2022-00120
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

COMMISSION STAFF'S REPORT ON
WEST LAUREL WATER ASSOCIATION, INC.

West Laurel Water Association, Inc. (West Laurel Water) is a water utility organized pursuant to KRS Chapter 74 that owns and operates a water distribution system through which it provides retail water service to approximately 5,036 residential customers, 118 commercial customers, and 1 wholesale customer that reside in Laurel County, Kentucky.¹ As part of the final Order of Case Number 2021-00097, West Laurel Water was ordered to file for a general adjustment to rates or alternative rate filing within one year from the April 23, 2021 Order.² On April 14, 2022, West Laurel Water filed an application, pursuant to 807 KAR 5:076. West Laurel Water's last rate adjustment was in Case No. 2005-00477.³

WATER LOSS

¹ *Annual Report of West Laurel Water to the Public Service Commission for the Calendar Year Ended December 31, 2021* (2021 Annual Report) at 12 and 49.

² Case No. 2021-00097 *Electronic Application of West Laurel Water Association, Inc. to Issue Securities in the Approximate Principal Amount of \$1,875,000 for the Purpose of Refunding Certain Outstanding Obligation of the Association Pursuant to the Provisions of KRS 278.300 and 807 KAR 5:00.* (Ky. PSC Apr. 23, 2021).

³ Case No. 2005-00477, *The Application of the West Laurel Water Association, Inc. for the Approval of a Proposed Increase in Rates for Water Service.* (Ky. PSC May. 15, 2006).

Commission Staff notes that West Laurel Water’s 2021 Annual Report reported a water loss of 13.90 percent.⁴ Commission regulation 807 KAR 5:066(6)(3) states that for ratemaking purposes, a utility's water loss shall not exceed 15 percent of total water produced and purchased, excluding water consumed by a utility in its own operations. At a 13.90 percent water loss, the annual cost of total water loss to West Laurel Water is \$143,704.⁵

DISCUSSION

To comply with the requirements of 807 KAR 5:076, Section 9,⁶ West Laurel Water used the calendar year ended December 31, 2020, as the basis for its application. Using the Debt Service Coverage (DSC) method and its pro forma test-year operations, West Laurel Water determined that a revenue increase of \$243,098, or 9.51 percent over test-year normalized revenues of \$2,556,914 is warranted⁷ as shown in the table below. The proposed rates requested by West Laurel Water would increase the residential monthly bill of a typical residential customer using 4,000 gallons per month by \$3.95 from \$41.36

⁴ 2021 Annual Report at 57.

⁵ Based upon the 2021 Annual Report at 50 and 57.

Purchased Water Expense	\$ 1,254,926
Purchased Power	15,154
Less Own Use (18.60% of purchased water)	<u>236,235</u>
Total Cost of Water	1,033,845
Times: Total Water Loss	13.90%
Total Cost of Water Loss	<u>\$ 143,704</u>

⁶ The reasonableness of the proposed rates shall be determined using a 12-month historical test period, adjusted for known and measurable changes that coincides with the reporting period of the applicant’s annual report for the immediate past year. Commission Staff notes that West Laurel Water filed its 2021 annual report on May 31, 2022, seven weeks after filing its ARF application. Thus, West Laurel Water used the 2020 test period in compliance with 807 KAR 5:076, Section 9.

⁷ Application, Attachment 5, 5_SAO_and_RR-w_Attachment.pdf.

to \$45.31, or approximately 9.55 percent.⁸ The proposed rates requested by West Laurel Water would increase the monthly bill for a wholesale customer using an average of 24,000 gallons per month by \$13.92 from \$147.12 to \$161.04, or approximately 9.46 percent.⁹

	West Laurel Water Association
Operating Expenses	\$ 2,647,920
Add: Average Annual Debt Principal and Interest	212,335
Additional Working Capital	42,467
	<hr/>
Overall Revenue Requirement	2,902,722
Less: Other Operating Revenue	(98,588)
Interest Income	(4,122)
	<hr/>
Revenue Requirement - Water Rates	2,800,012
Less: Normalized Revenue from Service	(2,556,914)
	<hr/>
Required Revenue Increase	<u>\$ 243,098</u>
Percentage Increase	<u>9.51%</u>

To determine the reasonableness of the increase proposed by West Laurel Water, Commission Staff performed a limited financial review of West Laurel Water's test-year operations. The scope of Commission Staff's review was limited to determining whether operations reported for the test year were representative of normal operations. Known

⁸ Application, Attachment 1, 1_Cusotmer_Notice_-_Retail.pdf.

⁹ Application, Attachment 2, 2_Cusotmer_Notice_-_Wholesale.pdf.

and measurable¹⁰ changes to test-year operations were identified and adjustments made when their effects were deemed material. Insignificant and immaterial discrepancies were not necessarily pursued or addressed.

Commission Staff's findings are summarized in this report. Travis Leach reviewed the calculation of West Laurel Water's Overall Revenue Requirement. Mary Elizabeth Purvis reviewed West Laurel Water's reported revenues and rate design.

SUMMARY OF FINDINGS

1. Overall Revenue Requirement and Required Revenue Increase. By applying the DSC method, as generally accepted by the Commission, Commission Staff found that West Laurel Water's required revenue from rates is \$2,700,453 to meet the Overall Revenue Requirement of \$2,773,676, and that a \$162,719 revenue increase, or 6.41 percent, to pro forma present rate revenues is necessary to generate the Overall Revenue Requirement.

2. Monthly Water Service Rates. In its application, West Laurel Water proposed to increase its monthly retail and wholesale water service rates by approximately 9.51 percent across the board. West Laurel Water has not performed a cost of service study (COSS). West Laurel Water stated that it did not complete a COSS at this time as there has been no material changes in its system and that West Laurel

¹⁰ Commission regulation 807 KAR 5:076, Section 9, sets the standard for the determination of the reasonableness of proposed rates and states, in pertinent part, that the test period shall be "adjusted for known and measurable changes." See also Case No. 2001-00211, *The Application of Hardin County Utilities District No. 1 for (1) Issuance of Certificate of Public Convenience and Necessity; (2) Authorization to Borrow Funds and to Issue its Evidence of Indebtedness therefor; (3) Authority to Adjust Rates; and (4) Approval to Revise and Adjust Tariff* (Ky. PSC Mar. 1, 2002); Case No. 2002-00105, *Application of Northern Kentucky Utilities District for (A) an Adjustment of Rates; (B) a Certificate of Public Convenience and Necessity for Improvements to Water Facilities if Necessary; and (C) Issuance of Bonds* (Ky. PSC June 25, 2003); and Case No. 2017-00417, *Electronic Proposed Adjustment of the Wholesale Water Service Rates of Lebanon Water Works* (Ky. PSC July 12, 2018).

Water would consider preparing a new COSS if material changes in customer's usage patterns were to occur.¹¹

The Commission has previously found that the allocation of a revenue increase evenly across the board to a utility's rate design is appropriate when there has been no evidence entered into the record demonstrating that this method is unreasonable and in the absence of a COSS. Finding no such evidence in this case, Commission Staff has followed the method proposed by West Laurel and allocated the \$162,719 revenue increase evenly across the board to West Laurel Water's monthly retail water service and wholesale rates.

The rates set forth in the Appendix to this report are based upon the revenue requirement, as calculated by Commission Staff, and will produce sufficient revenues from water sales to recover the \$2,700,453 revenue required from rates, an approximate 6.41 percent increase. These rates will increase a typical residential customer's monthly water bill from \$41.36 to \$43.99, an increase of \$2.63 or approximately 6.36 percent.¹² For the wholesale customer using an average of 24,000 gallons per month, these rates will increase by \$9.43 from \$147.12 to \$156.55, or approximately 6.41 percent.

3. Nonrecurring Charges. Following the Commission's recent decisions,¹³ Commission Staff has reviewed West Laurel Water's Nonrecurring Charges. The

¹¹ West Laurel Water's Response to Commission Staff's First Request for Information (filed Apr. 14, 2022) (Staff's First Request), Item 4.

¹² The typical residential customer uses approximately 4,000 gallons per month.

¹³ Case No. 2020-00141, *Electronic Application of Hyden-Leslie County Water District for an Alternative Rate Adjustment* (Ky. PSC Nov. 6, 2020); Case No. 2020-00167, *Electronic Application of Ohio County Water District for an Alternative Rate Adjustment* (Ky. PSC Dec. 3, 2020); Case No. 2020-00196, *Electronic Application of West Daviess County Water District for an Alternative Rate Adjustment* (Ky. PSC Dec. 30, 2020); and Case No. 2020-00195, *Electronic Application of Southeast Daviess County Water District for an Alternative Rate Adjustment* (Ky. PSC Dec. 30, 2020).

Commission found that because district personnel are currently paid during normal business hours, estimated labor costs previously included in determining the amount of Nonrecurring Charges should be eliminated from the charges. West Laurel Water provided the cost justification information for the nonrecurring charges.¹⁴ Recognizing that the labor is contractual per hour worked to address a nonrecurring charge request and the administrative costs are covered by the flat per customer rate, Commission Staff reviewed the cost justification information provided by West Laurel Water, applied the Commission precedent, and have adjusted these charges by removing Field Labor Costs and Office/Clerical Labor Costs from those charges that occur during normal business hours.¹⁵ Such adjustments result in the following revised nonrecurring charges:

	<u>Nonrecurring Charge</u>	
	<u>Current Charge</u>	<u>Revised Charge</u>
Reconnection Fee	\$40.00	\$ 0.00
Reconnection Fee – After Hours	\$80.00	\$66.50
Returned Check Fee	\$25.00	\$ 4.00
Meter Test Fee	\$25.00	\$ 0.00
Service Charge	\$40.00	\$ 0.00
Service Line Inspection	\$20.00	\$ 0.00
Additional Trip Charge	\$40.00	\$10.00

The adjustments to the nonrecurring charges result in a decrease to the charges and an increase to the total revenue requirement of \$26,975 as shown below.

¹⁴ West Laurel Water’s Response to Commission Staff’s First Request for Information (filed Jun. 2, 2022) (Staff’s First Request), Item 7.

¹⁵ West Laurel Water’s Response to Staff’s First Request, Item 7 and West Laurel Water’s Response to Commission Staff’s Second Request for Information (filed Jul. 13, 2022) (Staff’s Second Request), Item 2.

Commission Staff recommends that West Laurel Water should adjust its nonrecurring charges to those found in Appendix A to this report.

	Occur- rences	Current Charge	Revised Charge	Adjust- ment	Pro Forma
Reconnection Fee	655	\$40.00	\$ 0.00	\$26,200	\$0
Reconnection Fee – After Hours	0	\$80.00	\$66.50	\$0	\$0
Returned Check Fee	31	\$25.00	\$4.00	\$775	\$124
Meter Test Fee	0	\$25.00	\$0.00	\$0	\$0
Service Charge	0	\$40.00	\$0.00	\$0	\$0
Service Line Inspection	0	\$20.00	\$0.00	\$0	\$0
Total				\$26,975	\$124

West Laurel Water also proposed to increase its 5/8-inch and 1-inch meter tap-fees and provided updated cost justification sheets. Commission Staff reviewed the cost justification information that was provided by West Laurel Water and recommends a revised charge of \$1,750 for its 5/8-inch meter tap-fee.¹⁶

¹⁶ West Laurel Water’s Response to Staff’s Second Request, Item 2.

PRO FORMA OPERATING STATEMENT

West Laurel Water's Pro Forma Operating Statement for the test year ended December 31, 2020, as determined by Commission Staff, appears below.

	<u>Test Year</u>	<u>Adjustment</u>	<u>Reference</u>	<u>Pro Forma</u>
Operating Revenues				
Retail Sales of Water	\$ 2,569,512	\$ (33,656)	A	\$ 2,535,856
Sales for Resale	1,878			1,878
Other Water Revenues				
Forfeited Discounts	-	11,331	B	
		57,646	B	68,977
Misc Service Revenues	38,467	(11,331)	B	
		(26,975)	C	
		(37)	C	124
Total Operating Revenues	<u>2,609,857</u>	<u>(3,022)</u>		<u>2,606,835</u>
Operating Expenses				
Operation and Maintenance Expenses				
Salaries and Wages - Employees	-			-
Salaries and Wages - Officers	-	27,900	D	27,900
Employee Pensions and Benefits	-			-
Purchased Water	1,254,926			1,254,926
Purchased Power	15,154			15,154
Materials and Supplies	209,612			209,612
Contractual Services	835,957	(131,180)	E	704,777
Rental of Equipment	-			-
Transportation Expenses	-			-
Insurance - Other	22,109			22,109
Bad Debt	17,924			17,924
Miscellaenous Expenses	45,115	(27,900)	D	17,215
Total Operation and Mainenance Expenses	<u>2,400,797</u>	<u>(131,180)</u>		<u>2,269,617</u>
Depreciation Expense	284,602	(44,968)	F	239,634
Taxes Other Than Income	7,489	2,134	D	9,623
Total Operating Expenses	<u>2,692,888</u>	<u>(174,014)</u>		<u>2,518,874</u>
Utility Operating Income(Loss)	<u>\$ (83,031)</u>	<u>\$ 170,992</u>		<u>\$ 87,961</u>

A. Billing Analysis. In its application, West Laurel Water made an adjustment of (\$14,476) to Retail Water Sales and provided a billing analysis listing the water usage and water sales revenue for the 12-month test year in its application, with total retail water sales revenue reported as \$2,555,036.¹⁷ Commission Staff revised the pro forma Retail Water Sales to \$2,535,856 to include billing adjustments of \$19,180.¹⁸ The result is a decrease to Retail Water Sales of \$33,656.

B. Forfeited Discounts. In its application, West Laurel Water removed \$11,331 from Miscellaneous Revenues to Forfeited Discounts (Late Fees) stating that by moving this revenue to its own category provided more detail.¹⁹ Further, due to the fact that West Laurel Water's test year of 2020 occurred during the moratorium regarding the collection of late payment fees due to the COVID-19 pandemic, West Laurel Water stated that the Late Fee revenue from the test year is not representative of amounts that would normally be collected in an annual period and proposed to normalized Forfeited Discounts to \$71,452, or the average for 2018 and 2019.²⁰ Commission Staff agrees that the 2020 Late Fees are not representative but recommends that the Commission normalize Late Fees to meet the three-year average, because that methodology is consistent with

¹⁷ Application, Attachment 5, 5_SAO_and_RR_w_Attachments.pdf.

¹⁸ West Laurel Water's Response to Staff's Second Request, Item 4.

¹⁹ Application, Attachment 5, 5_SAO_and_RR_w_Attachments.pdf.

²⁰ Application, Attachment 5, 5_SAO_and_RR_w_Attachments.pdf and West Laurel Water's Response to Staff's Second Request for Information, Item 1.

Commission precedent.²¹ Therefore, Commission Staff normalized Forfeited Discounts to \$68,977, as shown below.

	<u>Late Fee Revenue</u>	
2017		\$63,725
2018		\$71,845
2019		<u>\$71,362</u>
Average		<u>\$68,977</u>
Less 2020 Late Fee Revenue		\$11,311
Adjustment		<u>\$57,646</u>

C. Nonrecurring Charges. As shown above, the adjustment to the Nonrecurring Charges results in a decrease in Other Water Revenue of \$26,975. In addition, to normalize Miscellaneous Revenues to \$124, an adjustment of (\$37) was made.

D. Salaries and Wages – Officers & FICA. In the test-year, West Laurel Water included \$0 of Salaries and Wages – Officers Expense. In its application, West Laurel Water proposed an adjustment increasing test-year Salaries and Wages – Officers Expense by \$27,900 and decreasing Miscellaneous Expense by \$27,900 citing the utility’s practice of recording the expense under miscellaneous expense. Upon review, Commission Staff agrees with the adjustment proposed by West Laurel Water and the proposed adjustment is known and measurable and accurately reflects pro forma revenue and has included it in pro forma calculation.

In addition, as a result of the increase to Salaries and Wages – Officers, Commission Staff made an adjustment to increase FICA Tax Expenses to reflect the adjusted payroll tax costs, as shown below.

²¹ Case No. 2021-00475, *Electronic Application of Carroll County Water District No. 1 for an Adjustment of Rates Pursuant to 807 KAR 5:076* (Ky. PSC June 28, 2022).

Pro Forma FICA Applicable Salaries and Wages	\$ 27,900
Multiply by: FICA Rate	<u>7.65%</u>
Pro Forma FICA Taxes	2,134
Less: Test Year Payroll Taxes	<u>-</u>
Adjustment	<u><u>\$ 2,134</u></u>

E. Contractual Expenses. In its application, West Laurel Water included \$835,927 of Contractual Services Expense. West Laurel Water is entirely operated by Wood Creek Water District (Wood Creek District) and billed contractual services based on two factors. First, for Administrative Contractual Services, a flat rate of \$3.10 per customer, per month is billed to West Laurel Water.²² Second, for any transmission and distribution, maintenance, or repair expenses, Wood Creek District records hourly work performed in West Laurel Water’s service area and bills the West Laurel Water at a rate of \$33.25 for regular work hours, \$49.88 for overtime hours, and \$66.50 for double time hours.²³ When annualizing the expense using hours worked in the test year as well as pro forma customer levels, Commission Staff recommends that an adjustment should be made to reduce Contractual Services Expense by \$131,180, as calculated in detail below.

<u>Time</u>	<u>Hours Worked</u>	<u>Rate</u>	<u>Total</u>
Regular	14,308	\$ 33.25	\$ 475,741
Overtime	575	49.88	28,681
Double Time	16	66.50	<u>1,064</u>
Total Non-Administrative Contractual Services			<u><u>\$ 505,486</u></u>

²² West Laurel Water’s Supplemental Information (filed Aug. 12, 2022).

²³ West Laurel Water’s Supplemental Information (filed Aug. 12, 2022).

Pro Forma Customer Level	5155
Multiply by: Monthly Contractual Cost per Customer	<u>\$ 3.10</u>
Monthly Administrative Contractual Expense	15,981
Multiply by: 12 Months	<u>12</u>
Pro Forma Administrative Contractual Expense	<u><u>\$ 191,766</u></u>
Test Year Accounting Expense	\$ 7,450
Test Year Legal Expense	75
Pro Forma Non-Administrative Contractual Services	505,486
Pro Forma Administrative Contractual Services	<u>191,766</u>
Pro Forma Contractual Services Expense	704,777
Less: Test Year Contractual Services Expense	<u>835,957</u>
Adjustment	<u><u>\$ (131,180)</u></u>

F. Depreciation Expense. In its application, West Laurel Water included \$284,602 in Depreciation Expense and proposed to reduce test-year Depreciation Expense by \$44,968 citing Commission precedent of evaluating the reasonableness of the depreciation practices of small water utilities using the National Association of Regulatory Utility Commissioners' (NARUC) report titled *Depreciation Practices for Small Utilities* (NARUC Study) published in 1979. When no evidence exists to support a specific life that is outside the NARUC ranges, the Commission has historically used the midpoint of the NARUC ranges to depreciate the utility plant.

Upon examination, Commission Staff agrees that the adjustment proposed by West Laurel Water is known and measurable and accurately reflects adjusting West Laurel Water's assets' useful life to the midpoint of the life's found in the NARUC Study and has included it in pro forma operations.

OVERALL REVENUE REQUIREMENT AND

REQUIRED REVENUE INCREASE

The Commission has historically applied a DSC method to calculate the Overall Revenue Requirement of Utilities Districts and water associations. This method allows for recovery of (1) cash-related pro forma operating expenses; (2) recovery of depreciation expense, a noncash item, to provide working capital;²⁴ (3) the average annual principal and interest payments on all long-term debts, and (4) working capital that is in addition to depreciation expense.

	West Laurel Association	Commission Staff
Operating Expenses	\$ 2,647,920	\$ 2,518,874
Add: Average Annual Debt Principal and Interest	212,335	212,335
Additional Working Capital	<u>42,467</u>	<u>42,467</u>
Overall Revenue Requirement	2,902,722	2,773,676
Less: Other Operating Revenue	(98,588)	(69,101)
Interest Income	<u>(4,122)</u>	<u>(4,122)</u>
Revenue Requirement - Water Rates	2,800,012	2,700,453
Less: Normalized Revenue from Service	<u>(2,556,914)</u>	<u>(2,537,734)</u>
Required Revenue Increase	<u>\$ 243,098</u>	<u>\$ 162,719</u>
Percentage Increase	<u>9.51%</u>	<u>6.41%</u>

²⁴ The Kentucky Supreme Court has held that the Commission must permit a Utilities District to recover its depreciation expense through its rates for service to provide internal funds for renewing and replacing assets. See *Public Serv. Comm'n of Kentucky v. Dewitt Water Dist.*, 720 S.W.2d 725, 728 (Ky. 1986). Although a Utilities District's lenders require that a small portion of the depreciation funds be deposited annually into a debt reserve/depreciation fund until the account's balance accumulates to a required threshold, neither the Commission nor the Court requires that revenues collected for depreciation be accounted for separately from the Utilities District's general funds or that depreciation funds be used only for asset renewal and replacement. The Commission has recognized that the working capital provided through recovery of depreciation expense may be used for purposes other than renewal and replacement of assets. See Case No. 2012-00309, *Application of Southern Water and Sewer District for an Adjustment in Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities* (Ky. PSC Dec. 21, 2012).

1. Average Annual Principal and Interest Payments. At the time of Commission Staff’s review, West Laurel Water had five bond obligations held by the United States Department of Agriculture (USDA). In its application, West Laurel Water requested recovery of the average annual principal and interest on its indebtedness based on a five-year average of the annual principal, and interest and fee payments for the years 2022 through 2026.²⁵ Commission Staff agrees with the methodology West Laurel Water proposes. As shown below, Commission Staff calculated an Average Principal and Interest Payment of \$212,335.

Year	Principal	Interest	Total
2022	\$ 94,701	\$ 117,633	\$ 212,334
2023	99,004	113,330	212,334
2024	103,511	108,823	212,334
2025	108,232	104,103	212,335
2026	113,176	99,160	212,336
5-Year Total			1,061,673
Divide By: 5 Years			<u>5</u>
Average Debt Service Coverage			<u><u>\$ 212,335</u></u>

2. Additional Working Capital. The DSC method, as historically applied by the Commission, includes an allowance for additional working capital that is equal to the minimum net revenues required by a district’s lenders that are above its average annual debt payments. In its application, West Laurel Water requested recovery of an allowance for working capital that is equal to 120 percent of its average annual debt payments for its long-term debt with USDA at the time of its application.

²⁵ Application, Attachment 4, Revenue Requirement Calculation.

Following the Commission's historic practice, \$42,467 is included in the revenue requirement.

Annual Debt Service Payments		\$	212,335
Multiplied by:	20%		<u>1.20</u>
Required Net Revenues			254,802
Less: Annual Debt Service			<u>(212,335)</u>
Allowance for Working Capital		\$	<u><u>42,467</u></u>

Signatures

_/s/Travis Leach_____
Prepared by: Travis Leach
Revenue Requirement Branch
Division of Financial Analysis

_/s/Mary Elizabeth Purvis_____
Prepared by: Mary Elizabeth Purvis
Financial Analysis Director

APPENDIX

APPENDIX TO COMMISSION STAFF'S REPORT OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2022-00120 DATED AUG 31 2022

The following rates and charges are prescribed for the customers in the area served by West Laurel Water Association, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8- X 3/4-Inch Meter

First	1,000 Gallons	\$15.73	Minimum Bill
Next	2,000 Gallons	0.00958	Per Gallon
Next	2,000 Gallons	0.00911	Per Gallon
Next	5,000 Gallons	0.00856	Per Gallon
Over	10,000 Gallons	0.00707	Per Gallon

1-Inch Meter

First	5,000 Gallons	\$53.12	Minimum Bill
Next	5,000 Gallons	0.00856	Per Gallon
Over	10,000 Gallons	0.00707	Per Gallon

2-Inch Meter

First	20,000 Gallons	\$166.57	Minimum Bill
Over	20,000 Gallons	0.00707	Per Gallon

3-Inch Meter

First	30,000 Gallons	\$237.28	Minimum Bill
Over	30,000 Gallons	0.00707	Per Gallon

Wholesale Rate

0.00652	Per Gallon
---------	------------

Connection Fees

5/8-Inch x 3/4-Inch Meter	\$1,750 per connection
1-Inch Meter	Actual Cost

Nonrecurring Charges

Reconnection Fee	\$ 0.00
Reconnection Fee – After Hours	\$66.50
Returned Check Fee	\$ 4.00
Meter Test Fee	\$ 0.00
Service Charge	\$ 0.00
Service Line Inspection	\$ 0.00
Additional Trip Charge	\$10.00

*Alan Vilines
Kentucky Rural Water Association
Post Office Box 1424
1151 Old Porter Pike
Bowling Green, KENTUCKY 42102-1424

*West Laurel Water Association, Inc.
1670 Hal Rogers Parkway
P. O. Box 726
London, KY 40741

*Dewayne Lewis
West Laurel Water Association, Inc.
P. O. Box 726
London, KY 40743