

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

Electronic Application of Water Service)
Corporation of Kentucky for a General) Case No. 2020-00160
Adjustment in Existing Rates)

NOTICE OF FILING

Water Service Corporation of Kentucky (“WSCK”), by counsel, provides notice that it is filing the attached documents. As discussed by WSCK witness Andrew Dickson in his testimony from the evidentiary hearing on November 12, 2020, a correction needed to be made to the billing units for the low income rate being proposed in this matter. The attached documents reflect that change.

Respectfully submitted,



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ATTORNEYS FOR WATER SERVICE CORPORATION OF
KENTUCKY

WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2020-00160
Revenues at Present Rates
Test Year Ended 3/31/2020

Schedule E
Exhibit AD-4

	A	B	C	D	E	F	G	H	I	J	K	L
Line No.		# of Bills	Rate	Flat Revenue	Tier 1 Gallons Consumed	Tier 1 Rate	Volumetric Tier 1 Revenue	Tier 2 Gallons Consumed	Tier 2 Rate	Volumetric Tier 2 Revenue	Billing Adjustments	Total Revenue
Water Service Corporation of Kentucky												
1.	5/8"	63,680	\$ 11.45	\$ 729,135	219,531,298	\$ 5.00	\$ 1,097,656	993,849	\$ 3.35	\$ 3,329	\$ -	\$ 1,830,121
2.	3/4"	6,159	\$ 11.45	\$ 70,515	18,391,688	\$ 5.00	\$ 91,958	379,665	\$ 3.35	\$ 1,272	\$ -	\$ 163,745
3.	1"	1,265	\$ 28.63	\$ 36,229	14,276,092	\$ 5.00	\$ 71,380	101,232	\$ 3.35	\$ 339	\$ -	\$ 107,949
4.	1.5"	423	\$ 57.25	\$ 24,203	10,109,730	\$ 5.00	\$ 50,549	2,461,608	\$ 3.35	\$ 8,246	\$ -	\$ 82,998
5.	2"	638	\$ 91.60	\$ 58,476	22,621,439	\$ 5.00	\$ 113,107	29,769,469	\$ 3.35	\$ 99,728	\$ -	\$ 271,311
6.	3"	92	\$ 171.75	\$ 15,802	3,935,234	\$ 5.00	\$ 19,676	20,470,316	\$ 3.35	\$ 68,576	\$ -	\$ 104,054
7.	4"	36	\$ 286.25	\$ 10,254	2,260,664	\$ 5.00	\$ 11,303	748,283	\$ 3.35	\$ 2,507	\$ -	\$ 24,064
8.	6"	36	\$ 572.50	\$ 20,508	3,041,732	\$ 5.00	\$ 15,209	42,453,778	\$ 3.35	\$ 142,220	\$ -	\$ 177,937
9.	Municipally Owned Hydrants	3,827	\$ 7.40	\$ 28,319	-	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ 28,319
10.	Private Hydrants and Sprinkler	719	\$ 33.50	\$ 24,098	-	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ 24,098
11.	Ambleside Private Fire Surchar	2,622	\$ 3.33	\$ 8,730	-	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ 8,730
12.	Total	79,497		\$ 1,026,270	294,167,878		\$ 1,470,839	97,378,200		\$ 326,217	\$ -	\$ 2,823,327
13.	WSCKY Total	79,497		\$ 1,026,270	294,167,878		\$ 1,470,839	97,378,200		\$ 326,217	\$ -	\$ 2,823,327

Total Service Revenue Requirement \$3,899,375

Base Rate Rate Design and Recovery

Description	Existing Base Rates	Overall System Increase	Proposed Base Rates	Proforma Bills	Proposed Base Revenues
5/8"	\$11.45	38.11%	\$15.81	63,680	\$1,007,029
3/4"	11.45	38.11%	15.81	6,159	97,390
1"	28.63	38.11%	39.54	1,265	50,037
1.5"	57.25	38.11%	79.07	423	33,428
2"	91.60	38.11%	126.51	638	80,763
3"	171.75	38.11%	237.21	92	21,825
4"	286.25	38.11%	395.35	36	14,162
6"	572.50	38.11%	790.70	36	28,324
Municipally Owned Hydrants	7.40	38.11%	10.22	3,827	39,112
Private Hydrants and Sprinklers	33.50	38.11%	46.27	719	33,282
Ambleside	3.33	38.11%	4.60	2,622	12,058
				79,497	\$1,417,410

Volumetric Revenue Requirement \$2,481,964

Non-Residential Volumes

Meter Size	Tier 1	Tier 2
5/8"	21,913,658	442,851
3/4"	2,935,228	379,665
1"	11,197,442	101,232
1.5"	10,091,595	2,461,608
2"	22,216,536	29,769,469
3"	3,935,234	20,470,316
4"	2,260,664	748,283
6"	3,041,732	42,453,778
Non-Residential Volumes	77,592,090	96,827,202

Residential Billing Data

Meter Size	Residential Bills	Residential Volumes (gal)		Avg. Usage	Overall Class Avg. Usage
		Tier 1	Tier 2		
5/8"	57,910	199,473,653	556,173	3,454	3,445
3/4"	5,333	15,601,626	-	2,926	
1"	336	3,107,564	-	9,249	
1.5"	12	18,305	-	1,525	
2"	24	408,706	-	17,029	
Total	63,615	218,609,854	556,173		

Service Area-Specific Bills

Meter Size	Middlesboro	Clinton
5/8"	57,659	251
3/4"	12	5,321
1"	252	84
1.5"	12	-
2"	12	12
Total	57,947	5,668

Proforma-Adjusted Residential Billing Data

Meter Size	Residential Bills	Residential Volumes (gal)		Avg. Usage	Overall Class Avg. Usage
		Tier 1	Tier 2		
5/8"	57,623	197,617,640	550,998	3,439	3,430
3/4"	5,306	15,456,460	-	2,913	
1"	334	3,078,650	-	9,208	
1.5"	12	18,134	-	1,519	
2"	24	404,903	-	16,955	
Total	63,300	216,575,788	550,998		

Service Area-Specific Bills

Meter Size	Middlesboro	Clinton
5/8"	57,374	250
3/4"	12	5,294
1"	251	84
1.5"	12	-
2"	12	12
Total	57,660	5,640

American Community Survey Data (2018)

Description	Middlesboro	Clinton
Median Household Income	\$24,556	\$34,651
% Below Poverty Line	38.30%	17.30%
Average Household Size	2.30	2.51

Weighted WSKY American Community Survey Metrics (2018)

Description	WSCKY
Weighted Median Household Income	\$25,455
Weighted % Below Poverty Line	36.43%
Weighted Avg. Household Size	2.32
Poverty line for a 3-person household	\$19,985
Low Income Rate Ratio	78.51%

Rate Design

Low Income Eligible Bills	23,060	bills
Allowed low income consumption	3,000	gallons
Low Income Eligible Usage	69,178,519	gallons
Total Tier 1 Residential Usage	216,575,788	gallons
Less:		
Low Income Usage	69,178,519	gallons
Regular Residential Tier 1 Usage	147,397,268	gallons
Low Income Tier 1 usage Equivalent	54,311,901	gallon equivalents
Add: Non-Residential Tier 1 Usage	77,592,090	gallons
Tier 2 rate Ratio	69.00%	
Tier 2 Usage	97,378,200	gallons
Tier 1 Usage Equivalents	67,190,958	gallons
Total Tier 1 Usage Equivalents	346,492,217	gallon equivalents
Total Revenue Requirement	\$3,899,375	
Less:		
Base Charge Revenue	\$1,417,410	
Volume Revenue Requirement	\$2,481,964	
Tier 1 Usage Equivalents	346,492,217	
Tier 1 Rate	\$7.16	
Low Income Rate	\$5.62	
Tier 2 Rate	\$4.94	

Wholesale Rate Design

Electric Expense	107,989
Purchased Water Expense	124,772
Operator Salaries	520,988
Chemicals Expense	113,330
Variable Expenses	\$867,078
Total Water Sold	391,546,078 gallons
Marginal Cost per Kgal (Wholesale F	\$2.214 per Kgal

WATER SERVICE CORPORATION OF KENTUCKY

Case No. 2020-00160

Exhibit AD-6

Present vs Proposed rates

Test Year Ended 3/31/2020

Line No.	Description	Present Rates	Proposed Rates
Base Service Charges Per Month			
<u>All Service Territories</u>			
1.	5/8-Inch	\$ 11.45	\$ 15.81
2.	3/4-Inch	11.45	15.81
3.	1-Inch	28.63	39.54
4.	1 1/2-Inch	57.25	79.07
5.	2-Inch	91.60	126.51
6.	3-Inch	171.75	237.21
7.	4-Inch	286.25	395.35
8.	6-Inch	572.50	790.70
Volumetric Rates Per 1000 Gallons			
<u>Middlesboro</u>			
9.	Low Income Rate	N/A	\$ 5.624
10.	Tier 1 - First 100,000 gallons	\$ 5.000	\$ 7.163
11.	Tier 2 - Over 100,000 gallons	\$ 3.350	\$ 4.943
12.	Wholesale Rate	N/A	\$2.214
Miscellaneous Charges Per Month			
13.	Municipally Owned Hydrants	\$ 7.40	\$ 10.22
14.	Private Hydrants	33.50	46.27
15.	Ambleside Private Fire Surcharge	3.33	4.60
16.	Sprinkler Systems	33.50	46.27

WATER SERVICE CORPORATION OF KENTUCKY
Case No. 2020-00160
Calculation of Average Bill Increase
Test Year Ended 3/31/2020

Exhibit AD-8

	A	B	C	D	E	F	G	H	I	J
Line No.		# of Bills	Tier 1 Present Gallonage	Tier 2 Present Gallonage	Pro Forma Revenue	Current Avg Bill	Proposed Revenue	Proposed Avg Bill	Dollar Increase	% Increase
1.	5/8" and 3/4" Meter	69,838	237,922,986	1,373,514	\$ 1,993,867	\$ 28.58	\$ 2,709,610	\$ 40.36	\$ 11.78	41.20%
2.	1" Meter	1,265	14,276,092	101,232	\$ 107,949	\$ 85.44	\$ 152,236	\$ 120.93	\$ 35.49	41.54%
3.	1.5" Meter	423	10,109,730	2,461,608	\$ 82,998	\$ 205.93	\$ 117,991	\$ 292.07	\$ 86.14	41.83%
4.	2" Meter	638	22,621,439	29,769,469	\$ 271,311	\$ 501.94	\$ 389,900	\$ 714.37	\$ 212.43	42.32%
5.	3" Meter	92	3,935,234	20,470,316	\$ 104,054	\$ 1,225.35	\$ 151,189	\$ 1,770.29	\$ 544.94	44.47%
6.	4" Meter	36	2,260,664	748,283	\$ 24,064	\$ 706.24	\$ 34,054	\$ 997.04	\$ 290.80	41.18%
7.	6" Meter	36	3,041,732	42,453,778	\$ 177,937	\$ 4,992.20	\$ 259,942	\$ 7,290.08	\$ 2,297.88	46.03%
8.	Municipally Owned Hydrants	3,827			\$ 28,319	\$ 7.40	\$ 39,112	\$ 10.22	\$ 2.82	38.11%
9.	Private Hydrants	719			\$ 24,098	\$ 33.50	\$ 33,282	\$ 46.27	\$ 12.77	38.11%
10.	Ambleside Private Fire Surchar	2,622			\$ 8,730	\$ 3.33	\$ 12,058	\$ 4.60	\$ 1.27	38.11%
	Low Income Customers		Average Gallonage	Low Income Gallonage	Tier 1 Gallonage	Current Avg Bill		Proposed Avg Bill	Dollar Increase	% Increase
11.	5/8" and 3/4" Meter		3,395	3,000	395	\$ 28.42		35.51	7.09	24.94%
12.	1" Meter		9,208	3,000	6,208	\$ 74.67		100.88	26.21	35.10%
13.	1.5" Meter		1,519	1,519	-	\$ 64.84		87.61	22.77	35.11%
14.	2" Meter		16,955	3,000	13,955	\$ 176.37		243.34	66.97	37.97%