



Kenvirons, Inc.

452 Versailles Road • Frankfort, KY 40601 • Phone: (502) 695-4357 • Fax: (502) 695-4363
Civil & Environmental Engineering and Laboratory Services

May 23, 2012

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

RECEIVED

MAY 23 2012

**PUBLIC SERVICE
COMMISSION**

RE: Southeastern Water Association
Purchased Water Adjustment

Dear Mr. Derouen:

Transmitted herewith on behalf of the water association is an application for a Purchased Water Adjustment to recover the increased cost of water from the City of Somerset. Attached hereto are the following documents:

1. Purchased Water Adjustment Form.
2. Exhibit showing the calculation of the PWA Factor.
3. Notification letter from the City of Somerset.
4. Resolution of the water district to increase the water service rates to recover the increase cost of purchased water effective July 1, 2012.
5. Revised tariff sheet setting forth the adjusted rates.

Respectfully Submitted,

KENVIRONS, INC.

Carlos F. Miller, P.E.
President

CFM/pmw

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

Name of Utility	Southeastern Water Association	
Date	March 9, 2012	
Address	P.O. Box 778	
City, State, Zip	Somerset, Kentucky	42502
Telephone Number	606-678-5501	

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
Somerset	\$2.00 per 1,000 Gallons	\$2.50 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

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	March, 2011	through	February, 2012
	(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
Somerset	570,778,000
TOTAL PURCHASES	570,778,000
4. Total sales for the 12 month period	300,235,235
5. Increased water cost	\$285,389
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	\$0.95 per 1,000 gallons
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
<p>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. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.</p>	
7. Proposed effective date	July 1, 2012
	
Signature of Utility Officer	
President	
Title	



SOUTHEASTERN WATER ASSOCIATION, INC.

CALCULATION OF PWA FACTOR

<u>Gallons Purchased</u>	<u>Base Rate</u>	<u>Base Cost</u>	<u>Adjusted Rate</u>	<u>Adjusted Cost</u>
570,778,000	\$2.00	\$1,141,556	\$2.50	\$1,426,945

Difference: \$1,426,945 - \$1,141,556 = \$285,389

PWA Factor: $\frac{\$285,389}{300,235.235} = \$0.95/1,000 \text{ gals}$

Rate Adjustment

	<u>Existing Rate</u>	<u>Adjustment</u>	<u>Adjusted Rate</u>
First 2,000 gals.	\$23.25	\$1.90	\$25.15
Over 1,000 gals.	\$9.95	\$0.95	\$10.90

City of Somerset

Eddie R. Girdler
Mayor

David Godsey
City Clerk

400 East Mt. Vernon Street
P.O. Box 989
SOMERSET, KENTUCKY 42502
(606)679-6366
(606)679-2481 (FAX)



LEGAL NOTICE TO ALL WHOLESALE WATER CUSTOMERS
CITY OF SOMERSET, KENTUCKY
IMPLEMENTATION OF WHOLESALE COST CONTRACT PROVISION
JANUARY, 2012

OF RECORD:

CITY OF EUBANK, KENTUCKY
CITY OF SCIENCE HILL, KENTUCKY
SOUTHEASTERN WATER ASSOCIATION
WESTERN WATER DISTRICT
US DEPARTMENT OF AGRICULTURE

This Legal Notice is herein submitted to provide our wholesale customers with adequate notification that the wholesale price provision of the contract shall be effective as of JULY 1, 2012. Wholesale purchasers should take appropriate actions to reflect the increase in wholesale pricing.

The August, 2012 billing cycle will reflect the July 1st rate changes.

If you have any questions or need to discuss the intent, purpose, or implementation of this Notice, please contact Mayor Eddie Girdler or Mr. Charles Dick, Water Manager.

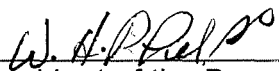
Southeastern Water Association

Corporate Resolution

Be it hereby resolved, by a unanimous vote of the Board of Directors of the Southeastern Water Association (herein referred to as "SEWA") at a regular called meeting on March 8, 2012, as follows:

Pursuant to 807 KAR 5:068, the Southeastern Water Association hereby approves a Purchased Water Adjustment rate increase of \$0.95 per 1000 gallons, effective July 1, 2012 and will be reflected in the August, 2012 billing cycle, to compensate for the increase in the base rate of water sold to the SEWA by the City of Somerset (CITY) from \$2.00 per 1000 gallons (base rate) to \$2.50 per 1000 gallons (changed rate) which will become effective on July 1, 2012 per the City of Somerset's notification dated January, 2012. This increase is adopted in order for the SEWA to recover the actual cost of water purchased from the CITY.

Given under my hand this the 8th day of March, 2012.



President of the Board

FOR Entire Service Area
Community, Town or City

P.S.C. KY. NO. _____

Fifth Revised SHEET NO. 1

Southeastern Water Association, Inc.
(Name of Utility)

CANCELING P.S.C. KY. NO. _____

Fourth Revised SHEET NO. 1

RATES AND CHARGES

Monthly Water Service Rates

5/8" x 3/4" Meter

First 2,000 gallons \$25.15 Minimum Bill
All Over 2,000 gallons \$10.90 per 1,000 gallons

1" Meter

First 5,000 gallons \$57.85 Minimum Bill
All Over 5,000 gallons \$10.90 per 1,000 gallons

1 1/2" Meter

First 10,000 gallons \$112.35 Minimum Bill
All Over 10,000 gallons \$ 10.90 per 1,000 gallons

2" Meter


First 20,000 gallons \$221.35 Minimum Bill
All Over 20,000 gallons \$ 10.90 per 1,000 gallons

3" Meter

First 30,000 gallons \$330.35 Minimum Bill
All Over 30,000 gallons \$ 10.90 per 1,000 gallons

DATE OF ISSUE March 9, 2012
Month / Date / Year

DATE EFFECTIVE July 1, 2012
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE President

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

FOR Entire Service Area
Community, Town or City

P.S.C. KY. NO. _____

Original SHEET NO. 1.1

Southeastern Water Association, Inc.
(Name of Utility)

CANCELING P.S.C. KY. NO. _____

NA SHEET NO. _____

RULES AND REGULATIONS

Monthly Water Service Rates

4" Meter

First 50,000 gallons \$548.35 Minimum Bill
All Over 50,000 gallons \$ 10.90 per 1,000 gallons

6" Meter

First 100,000 gallons \$1,093.35 Minimum Bill
All Over 100,000 gallons \$ 10.90 per 1,000 gallons

DATE OF ISSUE March 9, 2012
Month / Date / Year

DATE EFFECTIVE July 1, 2012
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE President

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____