

SOUTHEAST DAVIESS COUNTY WATER DISTRICT

3400 Bittel Rd.

Owensboro, KY 42301

Phone: (270) 685-5594

Fax: (270) 683-6324

April 18, 2014

To: Executive Director
Public Service Commission
211 Sower Blvd
P.O. Box 615
Frankfort, KY 40602

RECEIVED

APR 22 2014

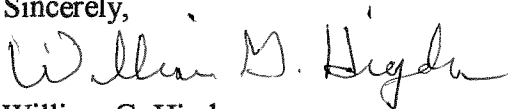
PUBLIC SERVICE
COMMISSION

RE : Purchased Water Rate Adjustment

By letter dated March 14, 2014, we were notified by our wholesale supplier, Owensboro Municipal Utilities (OMU) will be increasing their rate charged to us from \$ 1.50 per 1,000 gallons to \$ 1.54 per 1,000 gallons effective June 1, 2014. As a result, we are submitting a purchased water rate adjustment (PWA) for the increased water cost to the Southeast Daviess County Water District. Enclosed you will find our application and subsequent pages of support information. Pages 1 and 2 are the application. Page 3 is the District's schedule of current and proposed rates. Page 4 titled Exhibit A which represents the OMU notification letter. Page 5 titled Exhibit B is the District's calculation of the increased cost of water due to the increase purchased water cost. Page 5 is the authorization of the Board of Commissioners of the Southeast Daviess County Water District to apply for the PWA. Page 6 is a copy of the public notice to appear in the local newspaper.

We are submitting the original application and ten copies for your review. If you need any further information, please contact our office.

Sincerely,



William G. Higdon
Manager

RECEIVED

APR 22 2014

PUBLIC SERVICE
COMMISSION

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

Name of Utility	Southeast Daviess County Water District		
Date	4-14-14		
Address	3400 Bittel Rd		
City, State, Zip	Owensboro	KY	42301
Telephone Number	270-685-5594		
Official Email Address	kkrampe@oolwireless.net		

1. a. Name of all wholesale suppliers the event the water purchased is billed the entire rate schedule must be shown		<i>Original</i>	and changed rate of each. In s not a flat rate schedule, necessary.
Supplier(s)	Changed Rate		
Owensboro Municipal Utilit	on		\$ 1.54 per 1,000 gallon

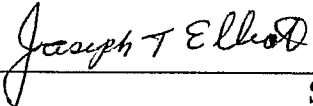
1. b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit A

2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of the proposed effective date).

From	April 2013	through	March 2014
	(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
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Owensboro Municipal Utilites	615,133,000 gallons
TOTAL PURCHASES	615,133,000 gallons
<hr/>	
4. Total gallons sold for the 12 month period	574,262,280 gallons
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5. Increased water cost	\$ 24,605.32
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
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6. Purchased water adjustment factor	\$.04 per 1,000 gallons
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.	
<hr/>	
7. Proposed effective date	June 1, 2014
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NOTE: The next 2-steps only apply to water districts.	
8. Date reported to the appropriate governing body	April 4, 2014
9. Date attended (or scheduled to attend) meeting with the appropriate governing body	April 17, 2014
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 Signature of Utility Officer	
Board Chairman Title	

SOUTHEAST DAVIESS COUNTY WATER DISTRICT

SCHEDULE OF RATES

Below is a schedule showing our current and proposed rates as requested:

Residential, Commercial, and Farmstead Customers

	<u>Current</u>	<u>Proposed</u>
First 20,000 gallons (per 1,000 gallons)	\$ 3.44	\$ 3.48
Over 20,000 gallons (per 1,000 gallons)	\$ 2.59	\$ 2.63

Wholesale Customers

	<u>Current</u>	<u>Proposed</u>
Per 1,000 gallons	\$ 1.85	\$ 1.89



Exhibit A

March 14, 2014

Mr. William Higdon, Manager
Southeast Daviess County Water District
3400 Bittel Road
Owensboro, KY 42301

Re: Wholesale Water Rate Calculations

Dear Bill:

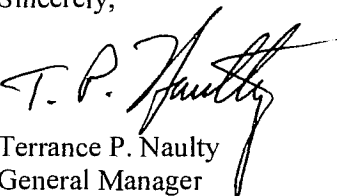
We have made the required rate calculations for fiscal year 2014-2015, as per the terms of our contract. A copy of these calculations is enclosed, as well as a copy of the fiscal year 2012-2013 true-up calculations.

Based on these calculations, the rate charged to the Southeast Daviess County Water District will become \$1.540 per thousand gallons for the fiscal year beginning June 1, 2014, an increase of 2.7% versus the prior fiscal year.

The ultimate per unit cost to Southeast District is dependent upon annual water usage and the costs contractually allocated to your district. Future year calculations may result in fluctuations in the rate per thousand gallons. The formal calculation will continue to be prepared annually.

Please contact me with any questions, or if you need further information.

Sincerely,



Terrance P. Naulty
General Manager

Cc: Kentucky Public Service Commission
L. Holland, K. Roberts, R. Leesman

Enclosures

Exhibit B

	<u>Sales</u>	<u>Gallons Purchased</u>
Apr 2013	39,826,310	49,601,000
May	43,587,570	56,069,000
Jun	56,518,730	52,310,000
Jul	51,987,250	60,563,000
Aug	58,742,870	62,262,000
Sep	58,782,380	58,192,000
Oct	49,156,370	48,055,000
Nov	47,254,750	39,233,000
Dec	40,303,580	49,205,000
Jan 14	44,513,400	48,552,000
Feb	44,021,300	44,531,000
Mar	39,567,770	46,560,000
	<u>574,262,280</u>	<u>615,133,000</u>

	1.50	
x	<u>1.027</u>	2.69%
	1.540	

Cost at changed rate

$$615,133,000 \times 1.54 \text{ per 1,000 gallons} = \$ 947,304.82$$

Cost at base rate

$$615,133,000 \times 1.50 \text{ per 1,000 gallons} = \$ 922,699.50$$

\$ 24,605.32

Proposed decrease of water rates

$$\begin{array}{rcl} \$ 24,605.32 & / & 574,262,280 / 1000 \text{ gallons} \\ & & = 0.04 \text{ per 1,000 gallons} \end{array}$$

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Phone: (270) 685-5594

Fax: (270) 683-6324

April 14, 2014

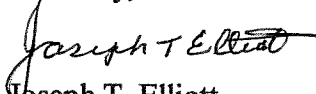
To : Executive Director
Public Service Commission

RE : Purchased Water Adjustment

At the meeting of the Board of Commissioners of the Southeast Daviess County Water District on April 14, 2014, it was unanimously decided to approve an application of a purchased water adjustment to the Public Service Commission in the amount of \$.04 per 1,000 gallons to all customers.

If you have any questions concerning this, please contact our office.

Sincerely,



Joseph T. Elliott
Board Chairman

LEGAL NOTICE

Notice is hereby given that the West Daviess County Water District (District) has filed an application with the Public Service Commission (PSC) to adjust its water rates as a result of an increase from its supplier, Owensboro Municipal Utilities. The proposed effective date is June 1, 2014. The proposed changes are as follows:

Residential, Commercial, Farmstead Customers

<u>Monthly Rates</u>	<u>Existing Rates</u>	<u>Proposed Rates</u>	<u>\$ Increase</u>	<u>% Increase</u>
First 20,000 gallons... per 1,000 gallons	\$ 4.02	\$ 4.07	\$.05	1.24%
Over 20,000 gallons... per 1,000 gallons	\$ 2.94	\$ 2.99	\$.05	1.70%

Wholesale Customers

<u>Monthly Rates</u>	<u>Existing Rates</u>	<u>Proposed Rates</u>	<u>\$ Increase</u>	<u>% Increase</u>
Per 1,000 gallons	\$ 2.36	\$ 2.41	\$.05	2.12%

The average bill for a customer using 5,000 gallons of water each month would increase 1.24% from \$ 20.10 to \$ 20.35 for an increase of \$.25 in the average customer's monthly bill.

Any person may examine this application at the District's office located at 3400 Bittel Road in Owensboro, Kentucky; telephone (270) 685-5594.

Any person may examine this application at the PSC located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m. or on the PSC website at <http://psc.ky.gov>; telephone (502) 564-3940.