CASE NUMBER: 99.034

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North Hopkins Water District 1580 Neelie Webb Road Madisonville, KY 42431

March 12, 1999

Public Service Commission of Kentucky 730 Schenkel Lane P. O. Box 615 Frankfort, KY 40602

Pursuant to your order on Case No. 99-034, we are enclosing verification of the notice to our customers.

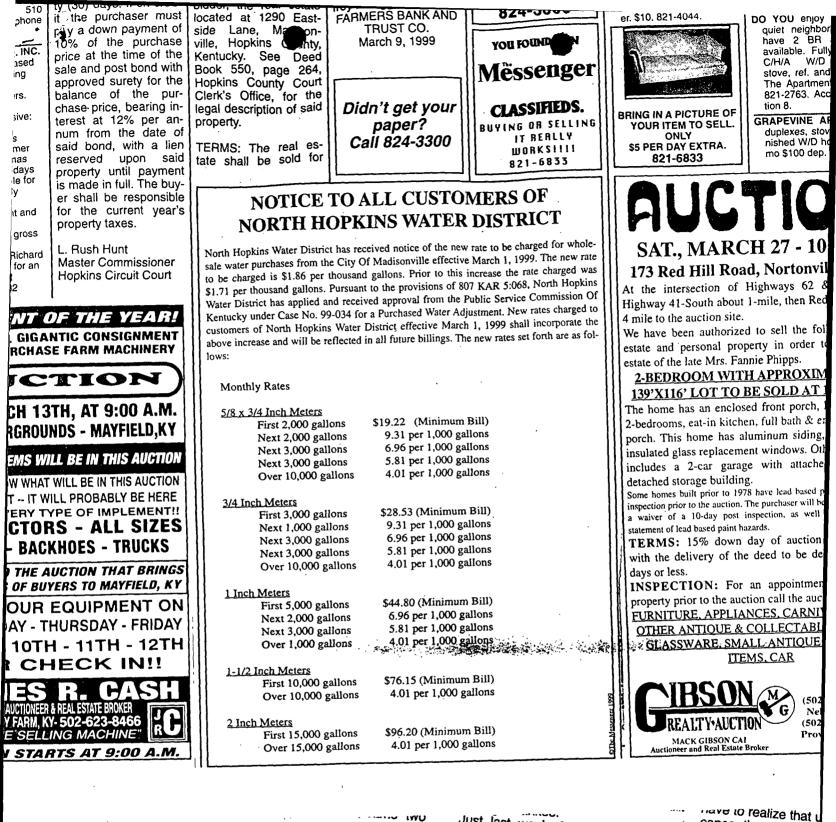
Sincerely,

Billy Carker

Billy Parker, Chairman

cc: file





Just last week, former Yankees star

cancer there are no More baseball or

KY. PUBLIC SERVICE COMMISSION AS OF : 03/03/99



IN THE MATTER OF THE PURCHASED WATER ADJUSTMENT OF NORTH HOPKINS WATER DISTRICT

SEQ NBR	ENTRY DATE	REMARKS
0001	02/01/99	Application.
0002	02/04/99	Acknowledgement letter.
0003	02/05/99	No deficiencies letter
0004	03/03/99	Final Order approving purchased water adjustment and rates in Appendix A.



COMMONWEALTH OF KENTUCKY **PUBLIC SERVICE COMMISSION** 730 SCHENKEL LANE POST OFFICE BOX 615 FRANKFORT, KY. 40602 (502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 99-034 NORTH HOPKINS WATER DISTRICT

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on March 3, 1999.

Parties of Record:

Betsy Sellers Clerk North Hopkins Water District 1580 Neelie Webb Road Madisonville, KY. 42431

Secretary of the Commission

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)NORTH HOPKINS WATER DISTRICT)CASE NO. 99-034

ORDER

On February 1, 1999, North Hopkins Water District ("North Hopkins") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. North Hopkins purchases its water from the city of Madisonville ("Madisonville").

2. Madisonville is increasing the wholesale water rate charged to North Hopkins from \$1.71 per 1,000 gallons to \$1.86 per 1,000 gallons purchased effective March 1, 1999.

3. During the 12 months ending December 31, 1998, North Hopkins purchased 60,677,000 gallons of water and sold 53,444,000 gallons.

4. The increase in the cost of purchased water will be \$9,101.55, resulting in a purchased water adjustment of \$0.17 per 1,000 gallons of water. Based on a monthly usage of 5,000 gallons, the average bill of a North Hopkins' customer would increase \$0.85 from \$43.95 to \$44.80 or 1.9 percent.

5. The calculations and proposed tariff provided by North Hopkins are correct and should be approved.

6. The purchased water adjustment of \$0.17 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.17 per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after March 1, 1999.

2. The tariff submitted by North Hopkins is hereby approved as filed.

3. Within 20 days from the effective date of this Order, North Hopkins shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 3rd day of March, 1999.

By the Commission

ATTEST:

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 99-034 DATED MARCH 3, 1999

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

Monthly Water Rates

5/8 x 3 / 4 Inch Meters

1

First	2,000	gallons
Next	2,000	gallons
Next	3,000	gallons
Next	3,000	gallons
Over		gallons

3 /4 Inch Meters

First	3,000	gallons
Next	1,000	gallons
Next	3,000	gallons
Next	3,000	gallons
Over	10,000	gallons

1 Inch Meters

First	5,000	gallons
Next	2,000	gallons
Next	3,000	gallons
Over	10,000	gallons

1-1/2 Inch Meters

First	10,000	gallons
Over	10,000	gallons

2 Inch Meters

First	15,000	gallons
Over	15,000	gallons

\$19.22	Minimum bill
9.31	per 1,000 gallons
6.96	per 1,000 gallons
5.81	per 1,000 gallons
4.01	per 1,000 gallons

\$Z8.53	iviinimum bili	
-		

- 9.31 per 1,000 gallons
- 6.96 per 1,000 gallons
- 5.81 per 1,000 gallons
- 4.01 per 1,000 gallons
- \$44.80 Minimum bill
- 6.96 per 1,000 gallons
 - 5.81 per 1,000 gallons
 - 4.01 per 1,000 gallons
- \$76.15 Minimum bill 4.01 per 1,000 gallons

\$96.20 Minimum bill

4.01 per 1,000 gallons



COMMONWEALTH OF KENTUCKY **PUBLIC SERVICE COMMISSION** 730 SCHENKEL LANE POST OFFICE BOX 615 FRANKFORT, KY. 40602 (502) 564-3940

February 5, 1999

Betsy Sellers Clerk North Hopkins Water District 1580 Neelie Webb Road Madisonville, KY. 42431

RE: Case No. 99-034 NORTH HOPKINS WATER DISTRICT

The Commission staff has reviewed your application in the above case and finds that it meets the minimum filing requirements. Enclosed please find a stamped filed copy of the first page of your filing. This case has been docketed and will be processed as expeditiously as possible.

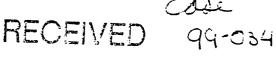
If you need further assistance, please contact my staff at 502/564-3940.

Stopho DW

Stephanie Bell Secretary of the Commission

SB/hv Enclosure North Hopkins Water District 1580 Neelie Webb Road Madisonville, Kentucky 42431 FILED FEB 0 1 1999 PUBLIC SERVICE COMMISSION

January 26, 1999



FEB 0 1 1999

PUBLIC SERVICE COMMISSION

Public Service Commission of Kentucky 730 Schenkel Lane P. O. Box 615 Frankfort, Kentucky 40602

Pursuant to KRS 278.012 and 278.015 we respectfully submit the enclosed application for a Purchased Water Rate Adjustment.

Sincerely,

Billy Parker

Billy Parker, Chairman

cc: file



COMMONWEALTH OF KENTUCKY **PUBLIC SERVICE COMMISSION** 730 SCHENKEL LANE POST OFFICE BOX 615 FRANKFORT, KY. 40602 (502) 564-3940

February 4, 1999

Betsy Sellers Clerk North Hopkins Water District 1580 Neelie Webb Road Madisonville, KY. 42431

RE: Case No. 99-034 NORTH HOPKINS WATER DISTRICT (Rates - PWA)

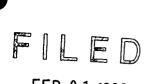
This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received February 1, 1999 and has been assigned Case No. 99-034. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at 502/564-3940.

ncerel

Stephanie Bell Secretary of the Commission

SB/jc



North Hopkins Water District 1580 Neelie Webb Road Madisonville, Kentucky 42431

FEB 01 1999 PUBLIC SERVICE COMMISSION

RECEIVED 99-034

January 26, 1999

FEB 0 1 1999

PUBLIC SERVICE COMMISSION

Public Service Commission of Kentucky 730 Schenkel Lane P. O. Box 615 Frankfort, Kentucky 40602

Pursuant to KRS 278.012 and 278.015 we respectfully submit the enclosed application for a Purchased Water Rate Adjustment.

Sincerely,

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Billy Parker

Billy Parker, Chairman

cc: file

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

RECEIVED

FEB 0 1 1999 PUBLIC SERVICE COMMISSION

North Hopkins Water District (Name of Utility)

<u>January 26, 1999</u> (Date)

1580 Neelie Webb Road (Address)

Madisonville, KY 42431 (City, State)

(502) 821-4695 (Telephone Number)

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 shedule must be shown. Attach additional sheets if necessary.

Supplier(s)	Base Rate	Changed Rate
<u>City of Madisonville</u>	\$1.71 per 1000 Gallons	\$1.86 per 1000 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 January 1998 through December 1998 (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 decling block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s) City of Madisonville, Kentucky	Gallons Purchased during 12 month period 60,677,000		
TOTAL PURCHASES	60,677,000		

4. Total sales for the 12 month period 53,444,000

5. Increased water cost 9,101.55

The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

Purchased water adjustment factor .17 per 1000 Gallons. 6.

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. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.

7. Proposed effective date <u>March 1, 1999</u>

Billy Parper (Signature of Utility Officer) Chairman

North Hopkins Water District Name of Issuing Corporation Hopkins County Kentucky Community, Town or City

P.S.C. NO._____

____SHEET NO._____

CANCELING P.S.C. NO. 98-020

____SHEET NO._____

CLASSIFICATION OF SERVICE

Monthly Rates

5/8 x 3/4 Inch Meters First 2,000 gallons Next 2,000 gallons Next 3,000 gallons Next 3,000 gallons Over 10,000 gallons

3/4 Inch Meters First 3,000 gallons Next 1,000 gallons Next 3,000 gallons Next 3,000 gallons Over 10,000 gallons

<u>1 Inch Meters</u> First 5,000 gallons Next 2,000 gallons Next 3,000 gallons Over 10,000 gallons

<u>1-1/2 Inch Meters</u> First 10,000 gallons Over 10,000 gallons

<u>2 Inch Meters</u> First 15,000 gallons Over 15,000 gallons

DATE OF ISSUE January 26, 1999 ally ISSUED BY (

\$19.22 (Minimum Bill) 9.31 per 1,000 gallons 6.96 per 1,000 gallons 5.81 per 1,000 gallons 4.01 per 1,000 gallons

\$28.53 (Minimum Bill) 9.31 per 1,000 gallons 6.96 per 1,000 gallons 5.81 per 1,000 gallons 4.01 per 1,000 gallons

\$44.80 (Minimum Bill) 6.96 per 1,000 gallons 5.81 per 1,000 gallons 4.01 per 1,000 gallons

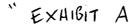
\$76.15 (Minimum Bill) 4.01 per 1,000 gallons

\$96.20 (Minimum Bill) 4.01 per 1,000 gallons

DATE EFFECTIVE March 1, 1999

TITLE Chairman

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No.______dated_____.





BERRY & KINGTON, PSC CERTIFIED PUBLIC ACCOUNTANTS 2822 North Main Street Madisonville, KY 42431 Phone: 502-821-3355 Fax: 502-821-0101 E-mail: www.bkscpa.com

January 25, 1999

Mr. Steven L. Ramsey, CPA Finance Director City of Madisonville, Kentucky P.O. Box 705 Madisonville, KY 42431

Dear Steve:

We have prepared the accompanying Cost Review Formulas for revising calendar year wholesale rate charges as per Treated Water Sale and Purchase Agreements with the North Hopkins Water District.

We prepared the Cost Review Formulas using June 30, 1998 audited financial statements and wholesale user consumption records as provided by the City of Madisonville. We did not audit the wholesale user consumption records during our June 30, 1998 audit due to the fact that such records were outside the scope of the audit.

The wholesale water rate to be charged to the North Hopkins Water District is \$1.86 per each one thousand gallons of treated water. It is my understanding that the new rate will be charged from March 1, 1999 to December 31, 1999.

We appreciate the opportunity to be of service to the City of Madisonville. Please call if you have any questions regarding these computations.

Very truly yours,

Charles A. Kington, CPA

EXHIBIT B - PURCHASED WATER ADJUSTMENT CALCULATIONS

Water Purchased: 60,677,000 gallons Water Sold: 53,444,000 gallons Cost at changed rate: 60,677,000/1,000 x \$1.86= \$112,859.22 LESS

Cost at base rate:	60,677,000/1,000 x \$1.71=		\$103,757.67	
Increase in cost			9,101.55	

\$9,101.55/53,444,000 gallons sold = \$.0001703 or \$.17 per 1,000 gallons