

# SOUTHEAST DAVIESS COUNTY WATER DISTRICT

3400 Bittel Rd  
Owensboro, KY 42301  
Phone : (270) 685-5594  
Fax : (270) 683-6324

April 26, 2005

RECEIVED

APR 29 2005

PUBLIC SERVICE  
COMMISSION

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

Case 2005-00176

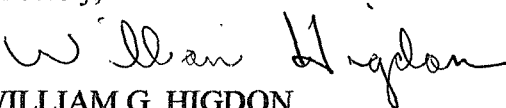
RE : Purchased Water Rate Adjustment

Mr. Dorman,

By letter dated March 22, 2005, we were notified that our wholesale supplier, Owensboro Municipal Utilities (OMU) will be increasing their rate charged to us from \$ 1.262 per 1,000 gallons to \$ 1.360 per 1,000 gallons effective June 1, 2005. As a result, we are submitting a purchased water adjustment to recover the additional water cost to the Southeast Daviess County Water District. Pages 1 - 3 is the information requested by the Public Service Commission for the rate adjustment. Pages 4 and 5 is the revised tariff sheets which pertain to the rate increase. Exhibit A is the before mentioned letter from OMU. Exhibit B is our calculation of how the increase will affect the rates to our customers. Exhibit C is the newspaper notice notifying our customers of the purchased water adjustment submitted to the Public Service Commission to be included in our local newspaper within the next couple of days. We will send the affidavit once we receive it from the newspaper.

If there are any questions, please contact our office.

Sincerely,

  
WILLIAM G. HIGDON  
Manager

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

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APR 29 2005

PUBLIC SERVICE  
COMMISSION

Southeast Daviess County Water District  
(Name of Utility)

April 26, 2005  
(Date)

3400 Bittel Rd  
(Address)

Owensboro, KY 42301  
(City, State)

Case 2005-00176

(270) 685-5594  
(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.

<u>Supplier(s)</u>	<u>Base Rate</u>	<u>Changed Rate</u>
<u>Owensboro Municipal Utilities</u>	<u>\$ 1.262 per 1,000 gal.</u>	<u>\$ 1.360 per 1,000 gallons</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>

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 this filing).

From April 2004 through March 2005  
(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
<u>Owensboro Municipal Utilities</u>	<u>562,687,184</u>
_____	_____
_____	_____
TOTAL PURCHASES	<u>562,687,184</u>

*Original*

4. Tr \_\_\_\_\_ i period 522,017,340.

5. Increased water cost \$ 55,143.34.

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

6. Purchased water adjustment factor .11 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. 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 June 1, 2005.

Joseph T Elliott  
(Signature of Utility Officer)

Chairman  
(Title)

FOR Southeast Daviess County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Sheet NO. 1

Southeast Daviess County Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. 1

Sheet NO. 1

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RATES AND CHARGES

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A. MONTHLY RATES:

Non Users	\$ 5.34
First 2,000 Gallons	7.36 Minimum Bill
Next 8,000 Gallons	2.17 Per 1,000 Gallons
Next 10,000 Gallons	2.06 Per 1,000 Gallons
Next 20,000 Gallons	1.95 Per 1,000 Gallons
Over 40,000 Gallons	1.86 Per 1,000 Gallons

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DATE OF ISSUE April 26, 2005  
Month / Date / Year

DATE EFFECTIVE June 1, 2005  
Month / Date / Year

ISSUED BY Joseph T. Ellett  
(Signature of Officer)

TITLE Chairman

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

FOR Southeast Daviess County, Kentucky  
Community, Town or City

P.S.C. KY. NO. 1

Sheet NO. 5

Southeast Daviess County Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. 1

Sheet NO. 5

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RATES AND CHARGES

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E. PURCHASED WATER RATES:

	<u>Rate</u>
Owensboro Municipal Utilities	\$ 1.360 per 1,000 Gallons

F. WHOLESALE WATER RATES:

	<u>Rate</u>
City of Whitesville	\$ 1.61 per 1,000 Gallons
East Daviess County Water Association	\$ 1.61 per 1,000 Gallons

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DATE OF ISSUE April 26, 2005  
Month / Date / Year

DATE EFFECTIVE June 1, 2005  
Month / Date / Year

ISSUED BY Joseph T. Ellead  
Signature of Officer

TITLE Chairman

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



March 22, 2005

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

Re: Wholesale Water Rate Increase

Dear Billy:


We have made the required rate calculations using projected usages and costs for the fiscal year ending May 31, 2005, as per the terms of our contract. A copy of these calculations is enclosed, as well as a copy of fiscal year 2004 true-up calculations.

Based on these calculations, the rate charged to the Southeast Daviess County Water District will become \$1.360 per thousand gallons effective June 1, 2005, an increase of 8% versus fiscal year 2005. The ultimate per unit cost to Southeast District is highly dependent upon the annual district usage.

Future year calculations may result in fluctuations in the rate per thousand gallons. The formal calculation will continue to be prepared annually. We will try to forward official notification of any change in your rate by March 16<sup>th</sup> of each year.

OMU issued water bonds in May 2003 to fund a number of upcoming capital projects. Virtually all of the capital projects included in this bond issue are related to new well field, storage, or production plant facilities. Based on the projected debt service schedule for this bond issue along with projected calculations for future fiscal years, Southeast Daviess County Water District will likely experience an additional increase next year.

Sincerely,

  
Robert E. Hunzinger  
General Manager

Cc: Kentucky Public Service Commission  
Enclosures

EXHIBIT B

	Sales	Gallons Purchased
Apr 2004	38,608,480	42,640,641
May	40,414,800	45,903,877
Jun	47,727,840	56,853,390
Jul	50,592,300	50,696,882
Aug	47,827,130	56,105,294
Sep	49,986,710	52,049,400
Oct	51,291,950	44,422,400
Nov	42,550,610	46,043,100
Dec	37,484,970	42,181,300
Jan 2005	43,164,020	44,784,100
Feb	37,465,880	38,257,000
Mar	34,902,650	42,749,800
	<u>522,017,340</u>	<u>562,687,184</u>

	1.262
x	<u>1.08</u>
	1.360

Cost at changed rate

$$562,687,184 \times 1.360 \text{ per 1,000 gallons} = \$ 765,254.57$$

Cost at base rate

$$562,687,184 \times 1.262 \text{ per 1,000 gallons} = \$ 710,111.23$$

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$$\$ 55,143.34$$

Proposed increase of water rates

$$\$ 55,143.34 \quad / \quad 522,017,340 / 1000 \text{ gallons}$$

$$= \quad \quad \quad 0.11 \text{ per 1,000 gallons}$$



**SOUTHEAST DAVIESS COUNTY WATER  
DISTRICT RATE ADJUSTMENT  
INCREASE**

In accordance with 807 KAR 5:068 and KRS 278:015, Southeast Daviess County Water District has applied for approval from the Kentucky Public Service Commission for a rate increase of 11 cents per 1,000 gallons of water effective June 1, 2005. The rate increase reflects the additional cost of water purchased from Owensboro Municipal Utilities. The change in rates will increase the average residential customer's water bill of 5,900 gallons from \$15.17 to \$15.82; an increase of 4.28%. The following rates are proposed:

Non User .....	\$ 5.34
First 2,000 gallons.....	\$ 7.36
<b>Minimum bill</b>	
Next 8,000 gallons.....	\$ 2.17
Per 1,000 gallons	
Next 10,000 gallons.....	\$ 2.06
Per 1,000 gallons	
Next 20,000 gallons.....	\$ 1.95
Per 1,000 gallons	
Over 40,000 gallons .....	\$ 1.86
Per 1,000 gallons	
Sales to other water districts.....	\$ 1.61
Per 1,000 gallons	

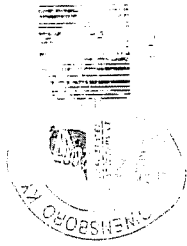
**WILLIAM G. HIGDON  
MANAGER**

S. E. Davless Co. Water Dist.  
3400 Bittel Road  
Owensboro, Ky. 42301

**CERTIFIED MAIL**



7004 3160 0002 9523 1526



U.S. POSTAGE  
OWENSBORO, KY  
APR 29 05  
PM 6:01  
**\$7.90**  
00025422-14

**RETURN RECEIPT  
REQUESTED**

Mr. Thomas Dorman, Executive Director  
Public Service Commission  
211 Sower Blvd  
P.O. Box 615  
Frankfort, KY 40602

**RECEIVED**

APR 29 2005

PUBLIC SERVICE  
COMMISSION

