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April 27, 2006

Beth O'Donnell
Executive Director
Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

RECEIVED

APR 27 2006

PUBLIC SERVICE
COMMISSION

Re: Case ~~2005-00460~~

2006-00173

Dear Beth:

Christian County Water District requests approval of its plan pursuant to 807 KAR 5:068 and its filed tariff to refund overpayments from the city of Hopkinsville. The District proposes to refund the total amount within two billing months beginning with bills issued for the billing period May-June, 2006 and ending with the bills for the billing period June-July, 2006. The calculation of the amount of the refund is attached.

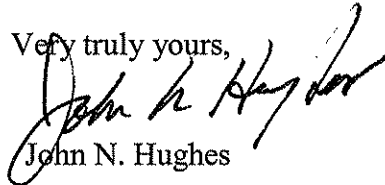
The District requests a deviation from the regulation and the filed tariff to use the proposed billing period due to the nature of the meter reading system used by the District and the time required to calculate and prepare the bills. The District is a customer read system. After the customers provide the reading, the staff must verify, check and calculate the bill. If no reading is provided, a calculated bill amount must be made.

The District proposes to proportionally reduce the customer's rate by the amount of the monthly refund. If the calculated refund amount is deducted directly from each of the fifteen (15) computerized billing classifications, all deductions will be calculated and credited at the same rate for each customer in that classification by the billing software. An example would be that for May's water usage a customer would be billed \$1.72 per thousand rather than \$4.75 per thousand. Each bill would contain a notation on the statement that this was due to a refund by the wholesale supplier. If this method is not used, then approximately 5200 bills must be hand calculated. Hand calculation of each bill opens the process up for more human error, adding additional labor expenses and provides less efficient use of staff time.

The District also proposes to include an insert in its consumer confidence report mailed to all customers prior to the refund period so that they will be informed of the refund.

For these reasons, the District requests a deviation from the regulation and from its filed tariff to implement the proposed refund plan.

Very truly yours,

A handwritten signature in black ink, appearing to read "John N. Hughes", written over the typed name.

John N. Hughes
Attorney for Christian County Water District

Cc: Attorney General

ATTACHMENTS:

1. calculation of refund amount
2. copy of city's refund letter
3. tariff sheets

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

RECEIVED

APR 27 2006

PUBLIC SERVICE
COMMISSION

Christian County Water District
(Name of Utility)

March 30, 2006
(Date)

P. O. Box 7
(Address)

Hopkinsville, KY 42240
(City, State)

(270) 886-3696
(Telephone Number)

Case No. 2006-00173

- 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.

<u>Supplier(s)</u>	<u>Base Rate</u>	<u>Changed Rate</u>
<u>Hopkinsville Water Environment Authority</u>	<u>Table 1</u>	<u>Table 2</u>
<u>Lake Barkley Water District</u>	<u>\$1.65/Kgal</u>	<u>No Change</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 January 2005 through December 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>Hopkinsville Water Environment Authority</u>	<u>451,060,943</u>
<u>Lake Barkley Water District</u>	<u>128</u>
<u>TOTAL PURCHASES</u>	<u>451,061,071</u>

4. Total sales for the 12 month period 352,115,141

5. Increased water cost \$93,110.

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

6. Purchased water adjustment factor \$0.36.

The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.

See Attached PWA Calculation Spreadsheet

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.

See Table 3 for Current CCWD Rates

See Table 4 for Revised CCWD Rates

7. Proposed effective date June 5, 2006.


(Signature of Utility Officer)

Ashbel Brunson, Chairman
(Title)

Table 1
Hopkinsville Water Environment Authority Base Rate

Usage Block		Rate per 100 Cubic Feet	Equivalent Rate Per 1,000 Gallons
First	3,000 cubic feet	\$2.30	\$3.08
Next	3,000 cubic feet	\$2.02	\$2.70
Next	3,000 cubic feet	\$1.46	\$1.95
All Over	9,000 cubic feet	\$1.19	\$1.59

Table 2
Hopkinsville Water Environment Authority Changed Rate

Usage Block		Rate per 100 Cubic Feet	Equivalent Rate Per 1,000 Gallons
First	3,000 cubic feet	\$2.16	\$2.89
Next	3,000 cubic feet	\$1.89	\$2.53
All Over	6,000 cubic feet	\$1.37	\$1.83

Table 3
Current Christian County Water District Rates

5/8" Meter

First	0	Gallons @	\$ 15.00	Minimum (Flat Rate)
Over	0	Gallons @	\$ 4.75	per 1,000 Gallons

1" Meter

First	5,000	Gallons @	\$ 37.50	Minimum
Over	5,000	Gallons @	\$ 4.75	per 1,000 Gallons

1½" Meter

First	10,000	Gallons @	\$ 60.00	Minimum
Over	10,000	Gallons @	\$ 4.75	per 1,000 Gallons

2" Meter

First	50,000	Gallons @	\$ 240.00	Minimum
Over	50,000	Gallons @	\$ 4.75	per 1,000 Gallons

4" Meter

First	100,000	Gallons @	\$ 465.00	Minimum
Over	100,000	Gallons @	\$ 4.75	per 1,000 Gallons

Table 4
Revised Christian County Water District Rates

5/8" Meter

First	0	Gallons @	\$ 15.00	Minimum (Flat Rate)
Over	0	Gallons @	\$ 5.11	per 1,000 Gallons

1" Meter

First	5,000	Gallons @	\$ 40.55	Minimum
Over	5,000	Gallons @	\$ 5.11	per 1,000 Gallons

1½" Meter

First	10,000	Gallons @	\$ 66.10	Minimum
Over	10,000	Gallons @	\$ 5.11	per 1,000 Gallons

2" Meter

First	50,000	Gallons @	\$ 270.50	Minimum
Over	50,000	Gallons @	\$ 5.11	per 1,000 Gallons

4" Meter

First	100,000	Gallons @	\$ 526.00	Minimum
Over	100,000	Gallons @	\$ 5.11	per 1,000 Gallons

Hopkinsville Water Environment Authority
401 East 9th Street • P.O. Box 828 • Hopkinsville, Kentucky 42241-0628

Len F. Hale
General Manager



Phone (270) 887-4246
Fax (270) 887-4244

November 1, 2004

Mr. Ashbel Brunson III, Chairman
Christian County Water District
P.O. Box 7
Hopkinsville, KY. 42241

Subject: KY 272 Master Meter

Dear Ash:

In response to your letter of September 10, 2004, the HWEA Board voted unanimously to approve your request that the repayment of \$192,533.70 be made in twelve equal monthly payments. These payments will begin in December 2004 and will be in the amount of \$16,044.47. The last payment to be made in November 2005 will be \$16,044.53.

If you have any questions, please contact us.

Sincerely,

Robert Carter,
Chairman

Hopkinsville Water Environment Authority
401 East 9th Street • P.O. Box 828 • Hopkinsville, Kentucky 42241-0828

Len F. Hale
General Manager



Phone (270) 887-4246
Fax (270) 887-4244

August 19, 2004

Mr. Ashbel Brunson, Chairman
Christian County Water District
P.O. Box 7
Hopkinsville, KY. 42241-007

Subject: **KY 272 Master Meter Billing**

Dear Ash:

Upon notification by the Christian County Water District (CCWD) on June 7, 2004 that the KY 272 Master Meter was improper, HWEA began an investigation to determine the facts regarding the claim contained in the subject letter. Our investigation revealed that the KY 272 master meter did contain a register that was inconsistent with the meter assembly, which would cause erroneous readings. Immediately HWEA replaced the register with the proper unit on June 10, 2004.

However HWEA was concerned with how this problem could have happened and existed for almost 9 years. All HWEA meters are Neptune meters supplied by Neptune Equipment Company (although other suppliers also represent Neptune). Most of the meters are TT type and read in cubic feet consumption. Our investigation revealed that Neptune Equipment had no records of supplying the KY 272 meter to us. This meant that the meter was supplied by someone else. Also our records showed that the original meter installed read in gallons rather than cubic feet. At that time in April 1995 we contacted Neptune and requested that the meter be changed out and they recommended that HWEA just change out the register. Neptune sent us a TT register since their records indicated that most of HWEA meters are of the TT type.

A further check of our records in 1995 indicated that the contractor for your contract to install mains on KY 272 and KY 164 also installed this master meter. Our work records show that HWEA extended the existing KY 272 main to the master meter and constructed the meter box around the meter. This explains why an HPT meter and one that read in gallons was originally installed. Unfortunately TT registers can fit into an HPT meter and actually work, although the readings will be inaccurate.

Mr. Ashbel Brunson
August 19, 2004
Page 2

The HWEA Board considered all of the facts at our monthly meeting on August 18, 2004 and at the recommendation of our general manager voted to reimburse the CCWD. Although HWEA was not entirely at fault for this situation, the fact is that the CCWD was over charged for water used through this master meter.

In his July 16, 2004 letter, Mr. James Owen stated that he would try and convince the CCWD Board to accept back payment of the amount overcharged for the last four years as fair and equitable. We trust this offer is still available. HWEA would also request that the reimbursement occur as a credit to the KY 272 meter consumption until the balance owed CCWD has been paid.

If you need additional information from us or would like to meet to discuss this matter further, please contact us. Otherwise the Board has authorized the payment of the overage based on the conditions listed above.

Sincerely,


Robert Carter,
Chairman

- c: HWEA Board of Commissioners
- Len Hale, General Manager
- Andrew Self, HWEA Attorney
- James Owen, CCWD Manager :

FOR _____
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

(Name of Utility)

RATES AND CHARGES

Refund Plan CASE NO. 2005-00460

In the event that a refund is received from the supplier for amounts previously paid, the following tabulations will be made:

- 1. Total refund received \$ 192,533.70
- 2. Total amount of water estimated to be sold during a two (2) month period 63,542,460 gallons
- 3. Refund factor per unit of water sold (Item 1. divided by Item 2.) \$ 3.03
- 4. The refunded factor may be adjusted in the final month to more accurately reflect the amount to be refunded.
- 5. This refund will appear on the ratepayers billing statement due on or after July 5, 2006.
- 6. Billing usage rates to all ratepayers will be adjusted to reflect this refund.

DATE OF ISSUE 4/27/06
Month / Date / Year

DATE EFFECTIVE 6/5/06
Month / Date / Year

ISSUED BY Ashbel Brunson
(Signature of Officer)

TITLE Chairman

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. _____

11th. Revision SHEET NO. 13

CHRISTIAN COUNTY WATER DISTRICT
(Name of Utility)

CANCELLING P.S.C. KY. NO. 2004-00024

10th. Revised SHEET NO. 12

RATES AND CHARGES

5/8 " Meter:

First 0 gallons \$ 15.00 Minimum bill
All over 0 gallons \$ 5.11 per 1,000 gallons

1" Meter:

First 5,000 gallons \$ 40.55 Minimum bill
All over 5,000 gallons \$ 5.11 per 1,000 gallons

1 1/2 Inch Meter

First 10,000 gallons \$ 66.10 Minimum bill
All Over 10,000 gallons \$ 5.11 per 1,000 gallons

2 Inch Meter

First 50,000 gallons \$ 270.50 Minimum bill
All over 50,000 gallons \$ 5.11 per thousand gallons

4 Inch Meter

First 100,000 gallons \$ 526.00 Minimum bill
All Over 100,000 gallons \$ 5.11 per thousand gallons

DATE OF ISSUE 4/27/06
Month / Date / Year

DATE EFFECTIVE 6-05-2006

ISSUED BY *Ashbel Brunson III*
Month / Date / Year
(Signature of Officer)

TITLE CHAIRMAN

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