

Simpson County
Water District

January 2, 2007

RECEIVED

JAN 03 2007

PUBLIC SERVICE
COMMISSION

MS BETH O'DONNELL
EXECUTIVE DIRECTOR
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
FRANKFORT KY 40602

RE: Purchased Water Adjustment

Case No. 2007-00009

Dear Ms. O'Donnell:

White House Utility District of White House, Tennessee, our wholesale water supplier, is increasing our wholesale water rate effective February 1, 2007. Simpson County Water District intends to pass this increase through to our retail customers in accordance with 807 KAR 5:068.

In support of our application for this Purchased Water Adjustment enclosed are the original and 10 copies of the following documents:

1. Purchased Water Adjustment application form.
2. Exhibit A – Rate Schedule for purchases from Warren County Water District.
3. Exhibit B – Letter of Agreement with White House Utility District (supplier's notice of changed rate).
4. Revised Tariff Sheets for retail rates.

We will be providing the required Notice to customers with an ad in the Franklin Favorite on January 11, 2007. The affidavit of publication and tear sheet will be forwarded to your office as soon as we receive these.

If you have any questions or need additional information, please let me know.

Sincerely,

Alan H. Vilines, P.E.

General Manager

AHV:jh

Enclosures

523 US HWY 31-W Bypass • P.O. Box 10180 • Bowling Green, KY 42102-4780 • 270-842-0052 • warrenwater.com
108 Morgantown Road • P.O. Box 0657 • Franklin, KY 42135 • 270-598-9926

EQUAL OPPORTUNITY PROVIDER AND EMPLOYER

Providing high quality
water services to
families and businesses
throughout
Simpson County

**Quality
On Tap!**
Our Commitment • Our Passion

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

Simpson County Water District
(Name of Utility)

January 2, 2007
(Date)

P. O. Box 10180
(Address)

Bowling Green, KY 42102-4780
(City, State)

270-842-0052 Ext. 550
(Telephone Number)

RECEIVED

JAN 03 2007

PUBLIC SERVICE
COMMISSION

Case No. 7007-00009

- 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>White House Utility District</u>	<u>\$1.18*</u>	<u>\$1.86*</u>
<u>Warren County Water District</u>	<u>See Exhibit A**</u>	<u>No Change</u>
<u> </u>	<u> </u>	<u> </u>

*Rates per 1,000 gallons purchased

**Water is purchased at retail general service rates for emergency supply only.

- 1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit B.
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 December 2005 through November 2006
 (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>White House Utility District</u>	<u>381,379,900</u>
<u>Warren County Water District</u>	<u>77,800</u>
TOTAL PURCHASES	<u>381,457,700</u>

*Emergency backfeed from Warren County Water District in 2006. Normally this water will be purchased from White House Utility District.

4. Total sales for the 12 month period 332,094,345.

5. Increased water cost \$259,391.24.

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

6. Purchased water adjustment factor \$0.78/1,000 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 February 1, 2007.



(Signature of Utility Officer)

Chairman

(Title)

MONTHLY WATER RATE SCHEDULE
WARREN COUNTY WATER DISTRICT

A. GENERAL SERVICE RATES

(Effective 8/15/05)

5/8 X 3/4 INCH METER

First	2,000 Gallons	\$10.52 Minimum Bill*
Next	8,000 Gallons	3.09 per 1,000 Gallons
Next	90,000 Gallons	2.42 per 1,000 Gallons
Next	900,000 Gallons	1.97 per 1,000 Gallons
Over	1,000,000 Gallons	1.63 per 1,000 Gallons

*The \$10.52 Minimum applies to 5/8 x 3/4 inch meters only. The minimums below apply to all other meter sizes.

3/4"	\$ 13.61 Minimum Bill, includes first	3,000 Gallons
1"	20.22 Minimum Bill, includes first	5,000 Gallons
1-1/2"	38.27 Minimum Bill, includes first	10,000 Gallons
2"	51.01 Minimum Bill, includes first	15,000 Gallons
3"	74.75 Minimum Bill, includes first	20,000 Gallons
4"	125.68 Minimum Bill, includes first	30,000 Gallons
6"	188.73 Minimum Bill, includes first	50,000 Gallons
8"	273.39 Minimum Bill, includes first	80,000 Gallons
10" & larger	382.98 Minimum Bill, includes first	120,000 Gallons

The rates to be charged after the minimum rate are the same regardless of meter size. All rates are subject to 10 percent penalty if paid after due date.

WHITE HOUSE UTILITY DISTRICT

P. O. BOX 608, 3303 HIGHWAY 31-W
WHITE HOUSE, TENNESSEE 37188

TELEPHONE (615) 672-4110
FAX (615) 672-9427

December 4, 2006

Mr. Alan Vilines
Simpson County Water District
P.O. Box 10180
Bowling Green, Kentucky 42102

Dear Alan:

This letter memorializes our agreements regarding:

- (1) that certain water purchase contract between the Simpson County Water District ("Simpson County") and White House Utility District ("WHUD"), dated as of March 6, 1992 (the "1992 Contract"), pursuant to which WHUD wholesales water to Simpson County;
- (2) the preparation of a new wholesale water purchase contract between WHUD and Simpson County or amendment of the 1992 Contract; and
- (3) an interim wholesale water rate to be charged by WHUD to Simpson County.

WHUD has expressed its concerns to Simpson County that, because of the need for significant changes and increased costs for capital improvements needed to serve the County that were not anticipated at the time the 1992 Contract was negotiated, WHUD believes it is unable to fully recover its costs of service under the terms of that Contract. Following discussion of these concerns, we agree that WHUD should be entitled to charge fair and reasonable rates that allow for the full recovery of its costs of service in a manner consistent with accepted utility practice. We further agree that it is in the best interests of both parties to negotiate a new water purchase contract or amend the 1992 Contract, so as to will include updated, mutually acceptable terms of service providing for the full recovery of WHUD's costs of serving Simpson County.

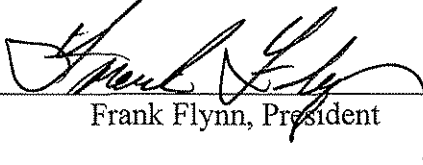
In light of the foregoing, we have each engaged a water rate consultant and we have, in consultation with those consultants, arrived at a methodology for the future calculation of Simpson County's water cost that will cover WHUD's cost to produce and deliver water to Simpson County. We agree that we will work expeditiously and in good faith to finalize Simpson County's water purchase costs and reach a long-term water purchase agreement that reflects the initial water purchase cost calculation methodology described

above and provides for future adjustments thereto consistent with the methodology to which we have agreed.

The parties acknowledge that it may take several months to finalize the agreement described above, and have agreed that Simpson County will, until the finalization of the long term agreement, but in no event less than 12 months from the effective date, pay for water purchased from WHUD at an interim water purchase rate of \$1.86 per thousand gallons. The effective date for the interim rate shall be approximately 45 days from the date this document is fully executed or as required for Simpson County to obtain approval from the Kentucky Public Service Commission for a Purchased Water Adjustment. The parties agree that from the effective date hereof until the effective date of the long term agreement described in the preceding paragraph, WHUD will continue to supply Simpson County water under the terms of the 1992 Contract; provided however that the total rate to be charged Simpson County under the 1992 Contract shall be the interim rate of \$1.86 per thousand gallons for all water delivered thereunder.

Please evidence your agreement with the foregoing by signing where indicated below.

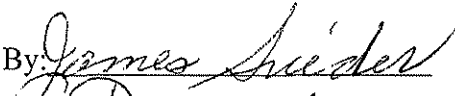
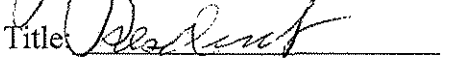
WHITE HOUSE UTILITY DISTRICT OF
ROBERTSON AND SUMNER COUNTIES,
TENNESSEE



Frank Flynn, President

Agreed to this 19th day of December, 2006.

SIMPSON COUNTY WATER DISTRICT

By: 
Title: 

P.S.C. Ky. No. _____

Cancels P.S.C. Ky. No. _____

SIMPSON COUNTY WATER DISTRICT

OF

SIMPSON COUNTY, FRANKLIN, KENTUCKY

Rates, Rules, and Regulations for Furnishing

Water Service

At

Simpson County, Kentucky

Filed with PUBLIC SERVICE COMMISSION

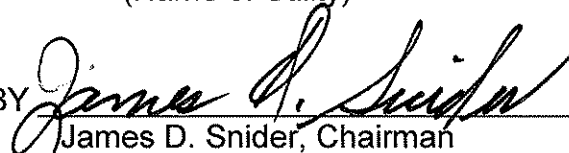
OF KENTUCKY

ISSUED January 2, 2007

EFFECTIVE February 1, 2007

ISSUED BY Simpson County Water District
(Name of Utility)

BY



James D. Snider, Chairman
Board of Commissioners
Simpson County Water District

FOR Entire Service Area of SCWD
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Simpson County Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. 95-269

_____ SHEET NO. 1 of 3

RATES AND CHARGES

MONTHLY GENERAL SERVICE WATER RATES*

5/8 X 3/4-INCH METER

First	2,000 Gallons	\$14.19 Minimum Bill*
Next	8,000 Gallons	4.84 per 1,000 Gallons
Next	190,000 Gallons	4.23 per 1,000 Gallons
Next	400,000 Gallons	3.90 per 1,000 Gallons
Over	600,000 Gallons	2.62 per 1,000 Gallons

3/4-INCH METER

First	3,000 Gallons	\$19.54 Minimum Bill*
Next	7,000 Gallons	4.84 per 1,000 Gallons
Next	190,000 Gallons	4.23 per 1,000 Gallons
Next	400,000 Gallons	3.90 per 1,000 Gallons
Over	600,000 Gallons	2.62 per 1,000 Gallons

1-INCH METER

First	5,000 Gallons	\$29.72 Minimum Bill*
Next	5,000 Gallons	4.84 per 1,000 Gallons
Next	190,000 Gallons	4.23 per 1,000 Gallons
Next	400,000 Gallons	3.90 per 1,000 Gallons
Over	600,000 Gallons	2.62 per 1,000 Gallons

1-1/2-INCH METER

First	10,000 Gallons	\$59.94 Minimum Bill*
Next	190,000 Gallons	4.23 per 1,000 Gallons
Next	400,000 Gallons	3.90 per 1,000 Gallons
Over	600,000 Gallons	2.62 per 1,000 Gallons

DATE OF ISSUE January 2, 2007
Month / Date / Year

DATE EFFECTIVE February 1, 2007
Month / Date / Year

ISSUED BY James D. Suedes
(Signature of Officer)

TITLE Chairman

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

FOR Entire Service Area of SCWD
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Simpson County Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. 95-269

_____ SHEET NO. 2 of 3

RATES AND CHARGES

MONTHLY GENERAL SERVICE WATER RATES*

2-INCH METER

First	16,000 Gallons	\$86.83 Minimum Bill*
Next	184,000 Gallons	4.23 per 1,000 Gallons
Next	400,000 Gallons	3.90 per 1,000 Gallons
Over	600,000 Gallons	2.62 per 1,000 Gallons

3-INCH METER

First	30,000 Gallons	\$173.10 Minimum Bill*
Next	170,000 Gallons	4.23 per 1,000 Gallons
Next	400,000 Gallons	3.90 per 1,000 Gallons
Over	600,000 Gallons	2.62 per 1,000 Gallons

4-INCH METER

First	50,000 Gallons	\$263.71 Minimum Bill*
Next	150,000 Gallons	4.23 per 1,000 Gallons
Next	400,000 Gallons	3.90 per 1,000 Gallons
Over	600,000 Gallons	2.62 per 1,000 Gallons

6-INCH METER

First	100,000 Gallons	\$489.25 Minimum Bill*
Next	100,000 Gallons	4.23 per 1,000 Gallons
Next	400,000 Gallons	3.90 per 1,000 Gallons
Over	600,000 Gallons	2.62 per 1,000 Gallons

DATE OF ISSUE January 2, 2007
Month / Date / Year

DATE EFFECTIVE February 1, 2007

ISSUED BY 
Month / Date / Year
(Signature of Officer)

TITLE Chairman

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

FOR Entire Service Area of SCWD
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Simpson County Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. 95-269

_____ SHEET NO. 3 of 3

RATES AND CHARGES

MONTHLY GENERAL SERVICE WATER RATES*

8-INCH METER

First	160,000 Gallons	\$763.11 Minimum Bill*
Next	40,000 Gallons	4.23 per 1,000 Gallons
Next	400,000 Gallons	3.90 per 1,000 Gallons
Over	600,000 Gallons	2.62 per 1,000 Gallons

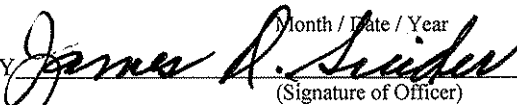
10-INCH METER

First	550,000 Gallons	\$2,310.09 Minimum Bill*
Next	50,000 Gallons	3.90 per 1,000 Gallons
Over	600,000 Gallons	2.62 per 1,000 Gallons

*All rates are subject to a 10 percent penalty if paid after the due date.

DATE OF ISSUE January 2, 2007
Month / Date / Year

DATE EFFECTIVE February 1, 2007
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE Chairman

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

FOR Entire Service Area of SCWD
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Simpson County Water District
(Name of Utility)

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

_____ SHEET NO. _____

RATES AND CHARGES

PRIVATE FIRE SERVICE RATES**

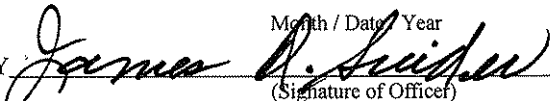
<u>SERVICE SIZE (INCHES)</u>	<u>MONTHLY CUSTOMER CHARGE</u>
1	\$ 9.45
1.5	15.91
2	24.63
3	61.83
4	130.26
6	323.99
8	649.74
10	1,142.01

**These charges shall apply to all connections which provide service only for private fire protection facilities whether supplied through a fully metered service or an unmetered service with a detector check valve and bypass meter.

Customer charges are lump sum charges according to the applicable service size with zero water usage. In case of a fire, charges for water usage shall be in accordance with Simpson County Water District Tariff effective 6/9/97, Section III D. Charges for all other water usage shall be in accordance with prevailing Simpson County Water District rates for general service. Where a detector check valve with a bypass meter is used, the water usage shall be based on the combined volume of water used through both the detector check valve (estimated) and the bypass meter. All rates are subject to 10 percent penalty if paid after due date.

DATE OF ISSUE January 2, 2007
Month / Date / Year

DATE EFFECTIVE May 11, 2005
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2002-00041 DATED May 11, 2005