SOUTHEAST DAVIESS COUNTY WATER DISTRICT

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

April 10, 2007

RECEIVED

APR 1 2 2007 PUBLIC SERVICE COMMISSION

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

RE : Purchased Water Rate Adjustment

Case No. 7007.00151

Ms. O'Donnell,

By letter dated March 8, 2007, we were notified that our wholesale supplier, Owensboro Municipal Utilities (OMU) will be increasing their rate charged to us from \$ 1.491 per 1,000 gallons to \$ 1.620 per 1,000 gallons effective June 1, 2007. 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.

If there are any questions, please contact our office.

Sincerely,

WILLIAM G. HIGDON Manager

D. Kligdon

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

RECEIVED

Southeast Daviess County Wâter District (Name of Utility)

APR 1 2 2007 PUBLIC SERVICE COMMISSION

April 10, 2007

(Date)

3400 Bittel Rd

(Address)

Case No. 2007-00151

Owensboro, KY 42301 (City, State)

(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.

Base Rate

Supplier(s)

Owensboro Municipal Utilities

\$ 1.491 / 1000 gal. \$ 1.620 / 1,000 gal.

Changed Rate

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 <u>April 2006</u> through <u>March 2007</u> (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)	Gallons Purchased during 12 month period 551,5834100		
<u>Owensboro Municipal Utilities</u>			
TOTAL PURCHASES	551,583,100		

4. Total sales for the 12 month period 525,247,420 .

5. Increased water cost \$ 71,154.22

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

6. Purchased water adjustment factor <u>\$.14 per 1,000 gallons</u>

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>June 1, 2007</u>.

Board Chairman (Title)

Southeast Daviess County Water District (Name of Utility)	FOR Southeast Daviess County, Kentucky Community, Town or City P.S.C. KY. NO. 1 Sheet NO. 1 CANCELLING P.S.C. KY. NO. 1 Sheet NO. 1		
RATES AND	CHARGES		
A. MONTHLY RATES:			
Customer Charge5/8" x 3/4" Meters1"1"Meters2"Meters	 \$ 2.36 per month \$ 3.30 per month \$ 4.25 per month \$ 6.84 per month 		
<u>Usage Charge</u> First 20,000 gallons Over 20,000 gallons	\$ 3.20 per 1,000 gallons \$ 2.51 per 1,000 gallons		

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DATE OF ISSUE April 6, 2007	
Month / Date / Year	
DATE EFFECTIVE June 1, 2007	
Month / Date / Year	
ISSUED BY Joseph 7 Ellift	4
(Signature of Officer)	
TITLE Board Chairman	1
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMM	ISSION

FOR Southeast Daviess County, Kentucky Community, Town or City
P.S.C. KY. NO1
Sheet NO5
CANCELLING P.S.C. KY. NO Sheet NO. 5

RATES AND CHARGES

E. PURCHASED WATER RATES:

Southeast Daviess County Water District

(Name of Utility)

Owensboro Municipal Utilities

F. WHOLESALE WATER RATES:

City of Whitesville

East Daviess County Water Association

Rate \$ 1.620 per 1,000 Gallons

Rate \$ 1.98 per 1,000 Gallons

\$ 1.98 per 1,000 Gallons

DATE OF ISSUEApril 6, 2007
Month / Date / Year
DATE EFFECTIVE
Month / Date / Year
ISSUED BY Couph of Elleva
Signature of Officer
TITLE Board Chairman
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. DATED '



March 8, 2007

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

Re: Wholesale Water Rate Increase

Dear Bill:

We have made the required rate calculations using projected usages and costs for the remainder of the fiscal year ending May 31, 2007, as per the terms of our contract. A copy of these calculations is enclosed, as well as a copy of fiscal year 2006 true-up calculations.

Based on these calculations, the rate charged to the Southeast Daviess County Water District will become \$1.620 per thousand gallons for fiscal year 2008, effective June 1, 2007; an increase of 8.7% versus fiscal year 2007.

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.

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

Sincerely,

Robert E. Hunzinger

Cc: Kentucky Public Service Commission Enclosures

Exhibit B

		Sales	Gallons Purchased			
Apr 2	2006	40,680,440	40,667,900			
May		42,091,910	52,326,900			
Jun		48,644,600	50,685,000			
Jul		48,847,950	54,684,600			
Aug		54,862,560	57,241,700			
Sep		51,256,870	44,231,500			
Oct		42,000,250	43,614,100			
Nov		38,095,470	40,295,800			
Dec		39,408,820	45,890,400			
Jan 2	2007	41,668,430	40,627,200			
Feb		40,137,400	40,398,700			
Mar		37,552,720	40,919,300			
	<u></u>	525,247,420	551,583,100			
		1.491				
x		1.087	8.70%			
		1.620				

Cost at change	d rate				
	551,583,100	x 1.620 per	1,000 gallons =	\$ 893,564.62	
Cost at base rat	te				
	551,583,100	x 1.491 per	1,000 gallons =	\$ 822,410.40	
				\$ 71,154.22	
Proposed increa	ase of water ra	tes			
\$	71,154.22	1	525,247,420	/ 1000 gallons	

0.14 per 1,000 gallons

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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 14 cents per 1,000 gallons of water effective June 1, 2007. 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 5,500 gallons with a 3/4" meter from \$19.19 to \$19.96; an increase of 4.01%. The following rates are proposed: First 20,000 gallons.....\$ 3.20 Per 1,000 gallons Over 20,000 gallons.....\$ 2.51 Per 1,000 gallons Sales to other water districts......\$ 1.98 Per 1,000 gallons Customer charge by meter size: 5/8" x 3/4".....\$ 2.36 per month 1".....\$ 3.30 per month 1 1/2".....\$ 4.25 per month 2".....\$ 6.84 per month WILLIAM G. HIGDON MANAGER

