

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

RECEIVED

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PUBLIC SERVICE
COMMISSION

January 31, 2011

Public Service Commission of Kentucky
211 Sower Blvd.
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,



Norman D. Adams, Chairman

cc: file

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

Name of Utility	North Hopkins Water District	
Date	January 31, 2011	
Address	1580 Neelie Webb Road	
City, State, Zip	Madisonville, Kentucky	42431
Telephone Number	(270) 825-1623	

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.


Supplier(s)	Base Rate	Changed Rate
City of Madisonville, KY	3.79 per 1,000 gallons	3.95 per 1,000 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 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 2010	through	December 2010
	(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
City of Madisonville, Kentucky		87,261,000
TOTAL PURCHASES		87,261,000
4. Total sales for the 12 month period		68,899,600
5. Increased water cost		\$13,961.76
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.		
6. Purchased water adjustment factor		\$0.20 per 1,000 gallons
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.		
<p>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.</p>		
7. Proposed effective date		March 1, 2011
		
Signature of Utility Officer		
CHAIRMAN		
Title		

Form for filing Rate Schedules

For Hopkins County Kentucky
Community, Town or City

P.S.C. NO. _____

____ SHEET NO. _____

North Hopkins Water District
Name of Issuing Corporation

CANCELING P.S.C. NO. 2010-00056

____ SHEET NO. _____

CLASSIFICATION OF SERVICE

Monthly Rates

5/8 x 3/4 Inch Meters

First 2,000 gallons	\$24.14 (Minimum Bill)
Next 2,000 gallons	11.77 per 1,000 gallons
Next 3,000 gallons	9.42 per 1,000 gallons
Next 3,000 gallons	8.27 per 1,000 gallons
Over 10,000 gallons	6.47 per 1,000 gallons

3/4 Inch Meters

First 3,000 gallons	\$35.91 (Minimum Bill)
Next 1,000 gallons	11.77 per 1,000 gallons
Next 3,000 gallons	9.42 per 1,000 gallons
Next 3,000 gallons	8.27 per 1,000 gallons
Over 10,000 gallons	6.47 per 1,000 gallons

1 Inch Meters

First 5,000 gallons	\$57.10 (Minimum Bill)
Next 2,000 gallons	9.42 per 1,000 gallons
Next 3,000 gallons	8.27 per 1,000 gallons
Over 10,000 gallons	6.47 per 1,000 gallons

1-1/2 Inch Meters

First 10,000 gallons	\$100.75 (Minimum Bill)
Over 10,000 gallons	6.47 per 1,000 gallons

2 Inch Meters

First 15,000 gallons	\$133.10 (Minimum Bill)
Over 15,000 gallons	6.47 per 1,000 gallons

3 Inch Meters

First 30,000 gallons	\$230.15 (Minimum Bill)
Over 30,000 gallons	6.47 per 1,000 gallons

DATE OF ISSUE January 31, 2011

DATE EFFECTIVE March 1, 2011

ISSUED BY _____

TITLE Chairman

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

" EXHIBIT A "



BERRY & KINGTON, PSC
CERTIFIED PUBLIC ACCOUNTANTS

2822 North Main Street
Madisonville, KY 42431
Phone: 270-821-3355
Fax: 270-821-0101
email: cpas@berryandkington.com

January 11, 2011

Mr. Cory Alexander
City Finance Director
City of Madisonville, Kentucky
67 North Main Street
Madisonville, KY 42431

Dear Cory:

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, 2010 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, 2010 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 \$3.95 per each one thousand gallons of treated water. It is my understanding that the new rate will be charged from March 1, 2011 to December 31, 2011.

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

North Hopkins Water District
Purchased Water Rate Adjustment
Date of Issue: January 31, 2011

EXHIBIT B - PURCHASED WATER ADJUSTMENT CALCULATIONS

Water Purchased: 87,261,000 gallons
Water Sold: 68,899,600 gallons

Cost at changed rate: $87,261,000/1,000 \times \$3.95 =$ \$344,680.95

LESS

Cost at base rate: $87,261,000/1,000 \times \$3.79 =$ \$330,719.19

Increase in cost -----
\$ 13,961.76
=====

$\$13,961.76 / 68,899,600$ gallons sold = \$.0002026 or \$.20 per 1,000 gallons