

SOUTHEAST DAVIESS COUNTY WATER DISTRICT

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

April 20, 2011

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

RECEIVED

APR 25 2011

PUBLIC SERVICE
COMMISSION

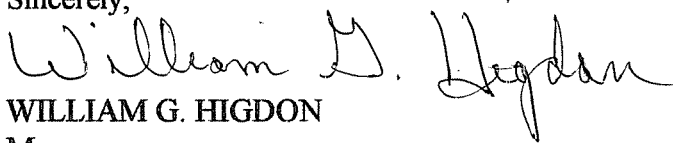
RE : Purchased Water Rate Adjustment

Mr. Derouen,

By letter dated March 17, 2011, we were notified that our wholesale supplier, Owensboro Municipal Utilities (OMU) will be decreasing their rate charged to us from \$ 1.62 per 1,000 gallons to \$ 1.50 per 1,000 gallons effective June 1, 2011. As a result, we are submitting a purchased water adjustment to adjust for the reduced 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 decrease 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

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

Name of Utility	SOUTHEAST DAVIESS COUNTY WATER DISTRICT	
Date	4-20-11	
Address	3400 BITTEL RD	
City, State, Zip	OWENSBORO	KY 42301
Telephone Number	270-685-5594	

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.

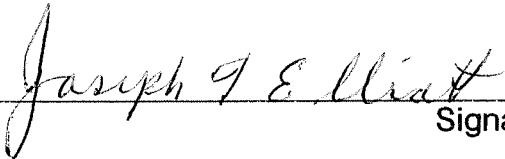
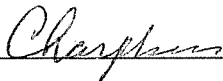
Supplier(s)	Base Rate	Changed Rate
OWENSBORO MUNICIPAL UTILITIES	\$ 1.62 PER 1,000 GALLONS	\$ 1.50 PER 1,000 GALLONS

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	APRIL 2010	through	MARCH 2011
	(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
OWENSBORO MUNICIPAL UTILITIES	602,734,600
TOTAL PURCHASES	602,734,600
4. Total sales for the 12 month period	567,295,140
5. Decreased water cost	\$ 72,328.15
The decreased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	\$ - .13 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 deducted 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 decreased rates.</p>	
7. Proposed effective date	JUNE 1, 2011
	
Signature of Utility Officer	
 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

RATES AND CHARGES

A. MONTHLY RATES:

Customer Charge

5/8" x 3/4" Meters	\$ 2.36 per month
1" Meters	\$ 3.30 per month
1 1/2" Meters	\$ 4.25 per month
2" Meters	\$ 6.84 per month

Usage Charge

First 20,000 gallons	\$ 3.07 per 1,000 gallons
Over 20,000 gallons	\$ 2.38 per 1,000 gallons

DATE OF ISSUE April 20, 2011
Month / Date / Year

DATE EFFECTIVE June 1, 2011
Month / Date / Year

ISSUED BY Joseph T. Elliott
(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

RATES AND CHARGES

E. PURCHASED WATER RATES:

	<u>Rate</u>
Owensboro Municipal Utilities	\$ 1.50 per 1,000 Gallons

F. WHOLESALE WATER RATES:

	<u>Rate</u>
City of Whitesville	\$ 1.85 per 1,000 Gallons
East Daviess County Water Association	\$ 1.85 per 1,000 Gallons

DATE OF ISSUE April 20, 2011
Month / Date / Year

DATE EFFECTIVE June 1, 2011
Month / Date / Year

ISSUED BY Joseph T. E. Elliott
Signature of Officer

TITLE Chairman

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

Exhibit B

	Sales	Gallons Purchased
Apr 2010	38,282,730	42,598,100
May	39,994,890	44,436,200
Jun	49,396,240	63,689,500
Jul	58,476,570	62,066,800
Aug	58,018,420	66,930,900
Sep	60,326,680	59,433,000
Oct	56,957,950	52,505,300
Nov	52,404,170	46,139,100
Dec	40,671,910	40,993,700
Jan 2011	41,492,640	45,364,600
Feb	36,704,900	37,568,400
Mar	34,568,040	41,009,000
	<u>567,295,140</u>	<u>602,734,600</u>

$$\begin{array}{r}
 1.620 \\
 \times \quad \underline{0.926} \quad (100\% - 7.4\%) \\
 \hline
 1.500
 \end{array}$$

Cost at changed rate
 $602,734,600 \times 1.50 \text{ per } 1,000 \text{ gallons} = \$ 904,101.90$

Cost at base rate
 $602,734,600 \times 1.62 \text{ per } 1,000 \text{ gallons} = \$ 976,430.05$

 $\$ (72,328.15)$

Proposed decrease of water rates
 $\$ (72,328.15) / 567,295,140 / 1000 \text{ gallons} = (0.13) \text{ per } 1,000 \text{ gallons}$

Exhibit C

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

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 decrease of 13 cents per 1,000 gallons of water effective June 1, 2011. The rate decrease reflects the reduced cost of water purchased from Owensboro Municipal Utilities. The change in rates will decrease the average residential customer's water bill of 5,500 gallons with a ¾" meter from \$19.96 to \$19.25; an decrease of 3.56%. The following rates are proposed:

First 20,000 gallons.....\$ 3.07

Per 1,000 gallons

Over 20,000 gallons.....\$ 2.38

Per 1,000 gallons

Sales to other water districts.....\$ 1.85

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**