

Beech Grove Water System, Inc.
445 State Route 56 North
Calhoun, Kentucky 42327
270 273-5738

RECEIVED

March 31, 2016

APR -7 2016

Executive Director
Jeff Derouen
Public Service Commission
P.O. Box 615
Frankfort Kentucky 40602

Public Service
Commission

RE: Beech Grove Water System, Inc.
(Purchased Water Adjustment)

Enclosed are the original and 10 copies of a special called meeting for Purchased Water Adjustment.

If you need additional information, please let me know.

Sincerely,


Sheila Murphy

Sheila Murphy

**Beech Grove Water System
Purchased Water Adjustment
Index**

Page 1 & 2	Purchased Water Adjustment Form
Exhibit A	City of Henderson Rate Increase
Exhibit B	Current Rates and Proposed Rates
Exhibit C	Water Board Minutes
Exhibit D	Certification of Response
Exhibit E	Calculation of Rate Increase
Exhibit F	Water purchased and sold from March 2015 to February 2016
Exhibit G	Customer notice

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

RECEIVED

APR 07 2016

PUBLIC SERVICE
COMMISSION

Name of Utility	Beech Grove Water System INC.		
Date	03-01-2016		
Address	445 Highway 56 N		
City, State, Zip	Calhoun KY 42327		
Telephone Number	270 273-5738		
Email Address	beechgrovewaters@bellsouth.net		

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 Henderson	3.1275	2.3816
West Daviess County	2.41	N/A

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	March 2015	through	February 2016
	(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 Henderson	67,630,000
West Daviess County Water	4,159,000
TOTAL PURCHASES	71,789,000
4. Total gallons sold for the 12 month period	63,189,723
5. Increased water cost	
<p>The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation is attached as Exhibit</p>	
6. Purchased water adjustment factor	-0.7
<p>The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.</p>	
<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.</p>	
7. A schedule listing the current and proposed rates is attached as Exhibit B	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit C	
9. Proposed effective date	April 15 2016
Signature of Utility Officer	
Title	

NOTICE

Henderson Water Utility ("Henderson Water") is providing notice that on January 04, 2016, it filed with the Public Service Commission to increase the wholesale rates it charges Henderson County Water District and Beech Grove Water System effective for water service rendered on and after March 1, 2016. The proposed rates are as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>\$ Change</u>	<u>% Change</u>
Henderson County Water District				
North System	\$2.4800 per 1,000 gallons	\$2.4507 per 1,000 gallons	\$0.0293 per 1,000 gallons	1.2% Decrease
South System	\$3.1209 per 1,000 gallons	\$2.2745 per 1,000 gallons	\$0.8464 per 1,000 gallons	27.1% Decrease
Beech Grove Water System	\$3.1275 per 1,000 gallons	\$2.3816 per 1,000 gallons	\$0.7459 per 1,000 gallons	23.8% Decrease

Water flowing through the meter(s) before the effective date will be charged at the current rates while water flowing through the meter(s) on and after the effective date will be charged at the proposed rates.

This filing may be examined at the offices of Henderson Water Utility located at 111 Fifth Street in Henderson, Kentucky.

This filing may also be examined at the offices of the Public Service Commission located at 211 Sower Boulevard in Frankfort, Kentucky, Monday – Friday from 8:00 am – 4:30 pm or on the PSC website at <http://psc.ky.gov>.

Comments regarding this filing may be submitted by mail to the Public Service Commission, Post Office Box 615, Frankfort KY 40602; or through its website at <http://psc.ky.gov>.

The rates contained in this notice are the rates proposed by Henderson Water but the Public Service Commission may order rates that differ from the proposed rates.

Intervention may be requested by submitting a timely written request for intervention by mail to the Public Service Commission, Post Office Box 615, Frankfort, KY 40602. The request for intervention must establish the grounds for the request including the status and interest of the party.

If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the providing of this notice, the Public Service Commission may take final action on the filing.

Current Rate

First	2,000 gallons	\$ 17.94	Minimum Bill
Next	98,000 gallons	\$ 5.78	Per 1,000 gallons
All Over	100,000 gallons	\$ 4.88	Per 1,000 gallons
Bulk Loading Station		\$ 2.71	Per 1,000 gallons

Proposed Rate

First	2,000 gallons	\$ 16.54	Minimum Bill
Next	98,000 gallons	\$ 5.08	Per 1,000 gallons
All Over	100,000 gallons	\$ 4.18	Per 1,000 gallons
Bulk Loading Station		\$ 2.01	Per 1,000 gallons

BEECH GROVE WATER SYSTEM**Meeting**

The Board of Beech Grove Water System held its monthly meeting on March 8, 2016

Beech Grove Fire Dept.

445 Hwy 56 N Calhoun KY 42327

Present were President Jeremy Rager, Chad McMahon, Greg Cheatham, Nolan Clouse, Michael Wahl and Sheila Murphy.

President Jeremy Rager declared that a quorum was present and called the meeting to order.

The minutes & financial report of the Feb, 2016 meeting were reviewed. Motion was made by Greg and seconded by Chad to approve the minutes & financial report as prepared. Motion carried unanimously.

New Business

Ballots were opened for one new board member Josh Keister 28 & Wally Murphy 62

Chad made motion to accept Wally Murphy to the water board for a 3 year term, Greg 2nd motion and motion carried unanimously.

Election of new officers

Chad made motion to nominate Nathan Ward as President, Greg 2nd motion and motion carried unanimously.

Greg made motion to nominate Chad as Vice President, Nolan 2nd motion and motion carried unanimously.

Chad made motion to nominate Greg as Secretary – Treasurer, Nolan 2nd motion and motion carried unanimously.

Motion made by Chad to pass along the rate decrease to the customers, Greg 2nd motion motion and motion carried unanimously.

Board discussed meter for Sally Murdock on Fred Hill. Motion by Greg Beech Grove Water will install meter on Hwy 796 & Sally would need to provide line back to site because the length of line we could not provide good water quality. Motion 2nd by Chad; motion carried unanimously.

Board discussed 6" line extension on Comer Elba Road to Henderson Master Meter with booster pump @ cost of \$1,530,000 was not feebly at this time.

Chad made motion to pay \$100.00 for trailer tire & rim for bobcat trailer; Greg 2nd motion and motion carried unanimously.

Greg made motion to purchase new desk with filing cabinets for the office when outside wall and window has been replaced Chad 2nd motion and motion carried unanimously.

Chad made motion to purchase new axle for bobcat trailer Greg 2nd motion and motion carried unanimously. Greg suggested contacting Richard Crabtree or Brake & Tire or axle.

ADJOURNMENT

There being no further business to come before the meeting, motion was made by Nolan and seconded Chad to adjourn the meeting. Motion carried unanimously. Next Board meeting will be held April 12.

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

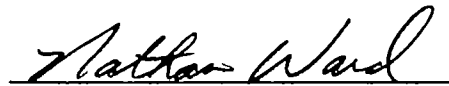
IN MATTTTER OF:

The Application Of
Beech Grove Water System, Inc.
Purchased Water Agreement

**** ** ** ** **
CERTIFICATION OF RESPONSE TO COMMISSION
STAFF'S FIRST INFORMATION REQUEST
** ** ** ** ****

This is to certify that I have supervised the preparation of the Applicant's Response to the Commission Staffs First Information Request. The responses submitted on behalf of Beech Grove Water System are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Date: March 31, 2016



Nathan Ward
President

Prepared By
Sheila Murphy

Beech Grove Water System

Exhibit E

<u>SUPPLIER</u>	<u>NEW RATE (per 1,000)</u>	<u>OLD RATE (per 1,000)</u>	
Henderson	\$2.3816	\$3.1275	
TWELVE MONTH TEST PERIOD:		March 2015 through February 2016	
		<u>GALLONS PURCHASED DURING TEST PERIOD</u>	
<u>SUPPLIER</u>			
Henderson		67,630,000	
TOTAL		67,630,000	
<u>SUPPLIER</u>	<u>COST AT NEW RATE</u>	<u>COST AT OLD RATE</u>	
Henderson	\$161,067.61	\$211,512.83	
TOTAL	\$161,067.61	-	\$211,512.83 =
			<u>INCREASED WATER COST</u> (\$50,445.22)
TOTAL GALLONS SOLD FOR THE TEST PERIOD :			63,189,723
Increased Water Cost / (total gallons sold / 1,000) = Purchased Water Adjustment Factor			
(\$50,445.22)	/	63,189,723	/1000 =
			ROUNDED
			-0.7

NOTICE

Beech Grove Water System has filed with the Public Service Commission to pass through a rate decrease it received from its wholesale water supplier, the City of Henderson, which was began with March 2016 consumption. This results in a -.70 cent per 1,000 Gallons decrease effective April 15, 2016 that will be reflected on Beech Grove Water System customer bills due in May 2016.

<u>5/8" x 3/4" Meter</u>				<u>Existing</u>	<u>Proposed</u>	<u>\$ Change</u>	<u>%</u>
First	2,000	gallons	(Minimum Bill)	\$17.94	\$16.54	\$ -1.40	- 7.8%
Next	98,000	gallons	(per 1,000 gallons)	5.78	5.08	\$ -0.70	-12.11%
Next	100,000	gallons	(per 1,000 gallons)	4.88	4.18	\$ -0.70	-14.34%
Bulk Loading Station (per 1,000 gallons)				2.71	2.01	\$ -0.70	-25.83%

The monthly water bill for an average customer using 5,000 gallons per month will decrease \$-3.50 from \$35.28 to 31.78 or -9.92%.

A person may examine this filing at the utility's office located at 445 State Route 56 North, Calhoun, Kentucky 42327; telephone (270) 273-5738.

A person may examine this filing at the Public Service Commission located at 211 Sower Boulevard, Frankfort, Kentucky, Monday - Friday, 8:00 am - 4:30 pm or on the PSC website at <http://psc.ky.gov>; telephone e (502) 564-3940.

A person may submit comments regarding this filing by mail to the Public Service Commission, Post Office Box 615, Frankfort, KY 40602; or through its website at <http://psc.ky.gov>.

The rates contained in this notice are the rates proposed by the utility but the PSC may order rates to be charged that differ from the proposed rates contained in this notice.