



Simpson County  
Water District

December 1, 2016

RECEIVED

DEC 2 2016

PUBLIC SERVICE  
COMMISSION

MS TALINA R. MATHEWS  
EXECUTIVE DIRECTOR  
PUBLIC SERVICE COMMISSION  
P O BOX 615  
FRANKFORT KY 40602

RE: Purchased Water Adjustment

Dear Ms. Mathews:

White House Utility District of White House, Tennessee, our wholesale water supplier, is increasing our wholesale water rate effective January 1, 2017. Simpson County Water District intends to pass this increase through to our retail customers in accordance with 807 KAR 5:068. In addition, we are requesting that the proposed rate increase to our customers be effective January 1, 2017.

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 – Letter from White House Utility District (supplier's notice of changed rate).
3. Exhibit B – Computation of Purchase Water Adjustment.
4. Exhibit C – Current and Proposed Rates.
5. Exhibit D – Excerpt of Minutes of Board approval of wholesale rate and authorization for retail rate increase.

We will be providing the required notice to customers with an ad in the Franklin Favorite in the near future.

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

Sincerely,

John M. Dix, P.E.  
General Manager

JMD:sa

Enclosures

523 US 31W Bypass • P.O. Box 10180 • Bowling Green, KY 42102-4780 • 270-842-0052 • simpsonwater.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.

Delivering Quality  
and Commitment  
in Every Drop



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

**RECEIVED**

DEC 02 2016

PUBLIC SERVICE  
COMMISSION

Name of Utility	Simpson County Water District		
Date	December 1, 2016		
Address	P.O. Box 10180		
City, State, Zip	Bowling Green	KY 42102	
Telephone Number	270-842-0052		
Email Address	johnd@simpsonwater.com		

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
White House Utility Dist	\$2.5541/1,000 gallons	\$2.6592/1,000 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	November, 2015	through	October, 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
White House Utility District	385,793,150
TOTAL PURCHASES	385,793,150
4. Total gallons sold for the 12 month period	328,829,520
5. Increased water cost	\$40,547.86
<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 B</p>	
6. Purchased water adjustment factor	\$0.13/1,000 gallons
<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 C	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit D	
9. Proposed effective date	January 1, 2017
	
Signature of Utility Officer	
CHAIRMAN	
Title	

# **EXHIBIT A**



## WHITE HOUSE UTILITY DISTRICT

P. O. BOX 608, 3303 HIGHWAY 31-W — WHITE HOUSE, TENNESSEE 37188  
TELEPHONE (615) 672-4110 — FAX (615) 672-8098



November 28, 2016

John M. Dix, P.E., General Manager  
Simpson County Water District  
523 US Hwy 31-W Bypass  
PO Box 10180  
Bowling Green, KY 42102

Mr. Dix:

In accordance with our contract dated August 27, 2009, this letter verifies that the new rate charged to Simpson County for water will increase from \$2.5541 per 1,000 gallons to \$2.6592 per 1,000 gallons. The new rate of \$2.6592 will be effective January 1, 2017.

We look forward to working with you, and once again, I appreciate your time, patience and hard work during these negotiations.

Sincerely,

Bill Thompson,  
General Manager

# **EXHIBIT B**

## EXHIBIT B

### COMPUTATION OF PURCHASED WATER ADJUSTMENT

Simpson County Water District

December 2, 2016

<u>Annual Gals Purchased</u>	<u>Base Rate</u>	<u>Purchase Cost at Base Rate</u>	<u>New Rate</u>	<u>Purchase Cost at New Rate</u>	<u>Increased Purchase Cost</u>
385,793,150	\$2.5541	\$985,354	\$2.6592	\$1,025,901	\$40,547
			<b>Total Water Sold</b>		328,829,520
			<b>Increased Purchase Cost</b>		40,547
			<b>Purchased Water Adjustment (per 1,000 Gallons)</b>		\$0.13



# **EXHIBIT C**

## EXHIBIT C

### CURRENT MONTHLY RATES

#### A. MONTHLY RATES\*

##### 1. General Service

###### 5/8 x 3/4 Inch Meter

First	2,000 Gallons	\$15.85	Minimum Bill
Next	8,000 Gallons	5.67	per 1,000 Gallons
Next	190,000 Gallons	5.06	per 1,000 Gallons
Next	400,000 Gallons	4.73	per 1,000 Gallons
Over	600,000 Gallons	3.45	per 1,000 Gallons

###### 3/4-Inch Meter

First	3,000 Gallons	\$22.03	Minimum Bill
Next	7,000 Gallons	5.67	per 1,000 Gallons
Next	190,000 Gallons	5.06	per 1,000 Gallons
Next	400,000 Gallons	4.73	per 1,000 Gallons
Over	600,000 Gallons	3.45	per 1,000 Gallons

###### 1-Inch Meter

First	5,000 Gallons	\$33.87	Minimum Bill
Next	5,000 Gallons	5.67	per 1,000 Gallons
Next	190,000 Gallons	5.06	per 1,000 Gallons
Next	400,000 Gallons	4.73	per 1,000 Gallons
Over	600,000 Gallons	3.45	per 1,000 Gallons

###### 1-1/2-Inch Meter

First	10,000 Gallons	\$68.24	Minimum Bill
Next	190,000 Gallons	5.06	per 1,000 Gallons
Next	400,000 Gallons	4.73	per 1,000 Gallons
Over	600,000 Gallons	3.45	per 1,000 Gallons

###### 2-Inch Meter

First	16,000 Gallons	\$100.11	Minimum Bill
Next	184,000 Gallons	5.06	per 1,000 Gallons
Next	400,000 Gallons	4.73	per 1,000 Gallons
Over	600,000 Gallons	3.45	per 1,000 Gallons

###### 3-Inch Meter

First	30,000 Gallons	\$198.00	Minimum Bill
Next	170,000 Gallons	5.06	per 1,000 Gallons
Next	400,000 Gallons	4.73	per 1,000 Gallons
Over	600,000 Gallons	3.45	per 1,000 Gallons

###### 4-Inch Meter

First	50,000 Gallons	\$305.21	Minimum Bill
Next	150,000 Gallons	5.06	per 1,000 Gallons
Next	400,000 Gallons	4.73	per 1,000 Gallons
Over	600,000 Gallons	3.45	per 1,000 Gallons

<u>6-Inch Meter</u>			
First	100,000	Gallons	\$572.25 Minimum Bill
Next	100,000	Gallons	5.06 per 1,000 Gallons
Next	400,000	Gallons	4.73 per 1,000 Gallons
Over	600,000	Gallons	3.45 per 1,000 Gallons

<u>8-Inch Meter</u>			
First	160,000	Gallons	\$895.91 Minimum Bill
Next	40,000	Gallons	5.06 per 1,000 Gallons
Next	400,000	Gallons	4.73 per 1,000 Gallons
Over	600,000	Gallons	3.45 per 1,000 Gallons

<u>10-Inch Meter</u>			
First	550,000	Gallons	\$2,766.59 Minimum Bill
Next	50,000	Gallons	4.73 per 1,000 Gallons
Over	600,000	Gallons	3.45 per 1,000 Gallons

\*These rates apply to all customer classifications and are subject to 10 percent penalty if paid after the due date.

## **PROPOSED MONTHLY RATES**

### **A. MONTHLY RATES\***

#### **1. General Service**

<u>5/8 x 3/4 Inch Meter</u>			
First	2,000	Gallons	\$16.11 Minimum Bill
Next	8,000	Gallons	5.80 per 1,000 Gallons
Next	190,000	Gallons	5.19 per 1,000 Gallons
Next	400,000	Gallons	4.86 per 1,000 Gallons
Over	600,000	Gallons	3.58 per 1,000 Gallons

<u>3/4-Inch Meter</u>			
First	3,000	Gallons	\$22.42 Minimum Bill
Next	7,000	Gallons	5.80 per 1,000 Gallons
Next	190,000	Gallons	5.19 per 1,000 Gallons
Next	400,000	Gallons	4.86 per 1,000 Gallons
Over	600,000	Gallons	3.58 per 1,000 Gallons

<u>1-Inch Meter</u>			
First	5,000	Gallons	\$34.52 Minimum Bill
Next	5,000	Gallons	5.80 per 1,000 Gallons
Next	190,000	Gallons	5.19 per 1,000 Gallons
Next	400,000	Gallons	4.86 per 1,000 Gallons
Over	600,000	Gallons	3.58 per 1,000 Gallons

<u>1-1/2-Inch Meter</u>			
First	10,000	Gallons	\$69.54 Minimum Bill
Next	190,000	Gallons	5.80 per 1,000 Gallons
Next	400,000	Gallons	5.19 per 1,000 Gallons
Over	600,000	Gallons	4.86 per 1,000 Gallons

2-Inch Meter

First 16,000 Gallons	\$102.19	Minimum Bill
Next 184,000 Gallons	5.80	per 1,000 Gallons
Next 400,000 Gallons	5.19	per 1,000 Gallons
Over 600,000 Gallons	4.86	per 1,000 Gallons

3-Inch Meter

First 30,000 Gallons	\$201.90	Minimum Bill
Next 170,000 Gallons	5.80	per 1,000 Gallons
Next 400,000 Gallons	5.19	per 1,000 Gallons
Over 600,000 Gallons	4.86	per 1,000 Gallons

4-Inch Meter

First 50,000 Gallons	\$311.71	Minimum Bill
Next 150,000 Gallons	5.80	per 1,000 Gallons
Next 400,000 Gallons	5.19	per 1,000 Gallons
Over 600,000 Gallons	4.86	per 1,000 Gallons

6-Inch Meter

First 100,000 Gallons	\$585.25	Minimum Bill
Next 100,000 Gallons	5.80	per 1,000 Gallons
Next 400,000 Gallons	5.19	per 1,000 Gallons
Over 600,000 Gallons	4.86	per 1,000 Gallons

8-Inch Meter

First 160,000 Gallons	\$916.71	Minimum Bill
Next 40,000 Gallons	5.80	per 1,000 Gallons
Next 400,000 Gallons	5.19	per 1,000 Gallons
Over 600,000 Gallons	4.86	per 1,000 Gallons

10-Inch Meter

First 550,000 Gallons	\$2,838.09	Minimum Bill
Next 50,000 Gallons	4.86	per 1,000 Gallons
Over 600,000 Gallons	3.58	per 1,000 Gallons

\*These rates apply to all customer classifications and are subject to 10 percent penalty if paid after the due date.

## **EXHIBIT D**

**EXCERPTS OF MINUTES OF A  
REGULAR MEETING OF THE  
SIMPSON COUNTY WATER DISTRICT**

The Board of Commissioners of the Simpson County Water District met in regular session on October 27, 2016, at 1:00 p.m. at 108 Morgantown Road, Franklin, Kentucky. The meeting was called to order with Ray Mann, Chairman, presiding, and the following other members of the Board present: Stephen Snider – Vice Chairman, and Joe Richards – Secretary/Treasurer. Also present were John Dix – General Manager, and Jeff Peebles – Manager of Administration and Finance.

\* \* \*

(Other Business)


Final computations and cost components included in the proposed wholesale rate from White House Utility District were reviewed. The proposed wholesale rate is \$2.6592 per 1,000 gallons and the associated retail rate adjustment is \$0.13 per 1,000 gallons. A table comparing the District's current and future water bills with surrounding communities was also discussed. Mr. Snider made a motion to approve both the proposed wholesale and retail rates and to authorize an application to the Public Service Commission for the Purchased Water Adjustment with new rates to take effect January 1, 2017. Mr. Richards seconded the motion and all voted "aye." The District will issue a news release to provide customers with information regarding the increase.

(Other Business)

\* \* \*

Upon motion and vote the meeting adjourned.

I hereby certify that the foregoing excerpts of minutes are true and correct.

  
\_\_\_\_\_  
Joe Richards, Secretary/Treasurer  
Simpson County Water District