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JAN 31 2017

Public Service
Commission

**Beech Grove Water System
Purchased Water Adjustment
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Exhibit A	City of Henderson Rate Increase Letter
Exhibit B	Rate Increase Calculation
Exhibit B1	Water purchased and sold from January 2016 to December 2016
Exhibit C	Current Rates and Proposed Rates
Exhibit D	Water Board Minutes
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PURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND WATER ASSOCIATIONS
(807 KAR 5:068)

JAN 31 2017

Public Service
Commission

Name of Utility	Beech Grove Water System	
Date	January 23, 2017	
Address	445 State Route 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
Henderson Water Utility	2.3816	2.5222
West Daviess Co Water	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	January 2016	through	December 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
Henderson Water Utility	74,781,621
West Daviess Co Water	4,546,000
TOTAL PURCHASES	79,327,621
4. Total gallons sold for the 12 month period	60,873,504
5. Increased water cost	10,514.2959
<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	0.172723685
<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	March 1, 2017
	
Signature of Utility Officer	
President	
Title	

HENDERSON WATER UTILITY

Water • Wastewater • Stormwater

MANAGED BY THE CITY OF HENDERSON WATER & SEWER COMMISSION

December 16, 2016

Tommy Conrad V.P.
 Beech Grove Water System, Inc.
 445 Highway 56 North
 Calhoun, Kentucky 42327

Dear Mr. Conrad:

Our contract with the Beech Grove Water System requires an evaluation of our costs each year and an adjustment in the rates to the water system based on the costs of producing and distributing water from our South System. The audit for our fiscal year 2015-2016 has been completed and the new rates are shown below. The new rate will be implemented beginning with March 2017 consumption.

BEECH GROVE WATER RATE	
Current Rate	New Rate
Per 1,000 Gallons	Per 1,000 Gallons
\$2.3816	\$2.5222

If you have any questions concerning this adjustment, please give me a call.

Sincerely,



Todd Bowley
 Chief Financial Officer

Beech Grove Water

SUPPLIER	NEW RATE (per 1,000)	OLD RATE (per 1,000)
Henderson	\$2.5222	\$2.3816

TWELVE MONTH TEST PERIOD:

SUPPLIER	GALLONS PURCHASED DURING TEST PERIOD
Henderson	74,781,621
TOTAL	74,781,621

SUPPLIER	COST AT NEW RATE	COST AT OLD RATE	INCREASED WATER COST
Henderson	\$188,614.20	\$178,099.91	
TOTAL	\$188,614.20	\$178,099.91	\$10,514.2959

TOTAL GALLONS SOLD FOR THE TEST PERIOD : 60,873,504

Increased Water Cost / (total gallons sold / 1,000) = Purchased Water Adjustment Factor

$$\frac{\$10,514.30}{60,873,504 / 1000} = 0.172723685$$

ROUNDED **0.18**

ANNUAL REPORT			
	Water Loss Percentage from Annual Report		
	Purchased Water from Annual Report		
	Times: Water Loss Above 15 Percent		
	Purchased Water Expense Reduction	-	

2016

	Both Counties	Henderson Co	Davless Co	Total sold both counties
	<u>Sold</u>	<u>Purchased</u>	<u>Purchased</u>	
Jan	4,180,183	6,146,000	247,000	6,393,000
Feb	5,454,868	5,352,000	259,000	5,611,000
Mar	3,918,634	5,913,000	223,000	6,136,000
Apr	5,354,009	5,372,000	147,000	5,519,000
May	4,252,567	6,059,000	401,000	6,460,000
Jun	6,288,099	7,923,900	935,000	8,858,900
Jul	5,428,538	6,427,000	672,000	7,099,000
Aug	6,618,020	6,481,000	589,000	7,070,000
Sep	5,089,812	5,701,000	237,000	5,938,000
Oct	5,882,234	6,665,000	243,000	6,908,000
Nov	4,020,033	5,483,720	223,000	5,706,720
Dec	4,386,507	7,258,001	370,000	7,628,001
total	60,873,504	74,781,621	4,546,000	79,327,621
	60,873			79,328
	average			average

Current Rate

First	2,000 gallons	\$ 16.36	Minimum Bill
Next	98,000 gallons	\$ 4.99	Per 1,000 gallons
All Over	100,000 gallons	\$ 4.09	Per 1,000 gallons
Bulk Loading Station		\$ 1.92	Per 1,000 gallons

Proposed Rate

First	2,000 gallons	\$ 16.72	Minimum Bill
Next	98,000 gallons	\$ 5.17	Per 1,000 gallons
All Over	100,000 gallons	\$ 4.27	Per 1,000 gallons
Bulk Loading Station		\$ 2.10	Per 1,000 gallons

BEECH GROVE WATER SYSTEM

Meeting

January 10, 2016

Beech Grove Fire Dept.

445 Hwy 56 N Calhoun KY 42327

Present were President Nathan Ward, Greg Cheatham, Chad McMahon, Jeremy Rager, Wally Murphy, Michael Wahl and Sheila Murphy.

President Nathan Ward declared that a quorum was present and called the meeting to order.

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

Old Business

No updates from PSC on pump station.

No updates on meter project from Chris Hopgood (attorney) or PSC

New Business

Henderson Water proposed water rate increase from 2.3816 per thousand to 2.5222 per thousand increase of .1406 per thousand

Motion by Greg to pass along the rate increase to the customer. Motion 2nd by Chad; Motion carried unanimously.

Election for two (2) new board members Jeremy & Chad's term expires in April

ADJOURNMENT

There being no further business to come before the water board, motion was made by Wally and seconded Greg to adjourn the meeting. Motion carried unanimously.



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

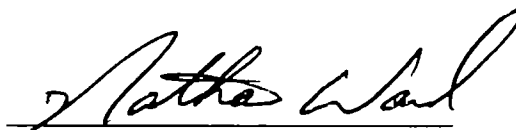
IN MATTTTER OF:

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: January 23, 2017



Nathan Ward
President

Prepared By
Sheila Murphy

NOTICE

Beech Grove Water System has filed with the Public Service Commission to pass through a rate increase it received from its wholesale water supplier, City of Henderson which began with March 2017 consumption. This results in a .18 cent per 1,000 Gallons increase effective March 15, 2017 that will be reflected on Beech Grove Water System customer bills due in April 2017.

<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)	\$16.36	\$16.72	\$ 0.36	2.20%
Next	98,000	gallons	(per 1,000 gallons)	4.99	5.17	\$ 0.18	3.60%
Next	100,000	gallons	(per 1,000 gallons)	4.09	4.27	\$ 0.18	4.40%
Bulk Loading Station (per 1,000 gallons)				1.92	2.10	\$ 0.18	.09%

The monthly water bill for an average customer using 5,000 gallons a month will increase \$ 1.90 from \$31.33 to 32.23 or .06%.

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 (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.