

RECEIVED

JAN 22 2018

PUBLIC SERVICE
COMMISSION

Beech Grove Water System, Inc.

445 State Route 56 N

Calhoun KY 42327

270 273-5738

beechgrovewaters@bellsouth.net

Gwen R. Pinson
Executive Director
Public Service Commission
PO Box 615
Frankfort, KY 40602

January 16, 2018

RE; Purchased Water Adjustment Increase
Wholesale Provider: Henderson Water Utility

Dear Director Pinson:

The Beech Grove Water System, Inc. has received written notice from Henderson Water Utility that they will implement a new rate effective March 2018

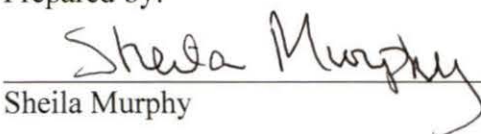
Should you need any additional information, please let me know.

Sincerely,



Nathan Ward
President

Prepared by:



Sheila Murphy

**Beech Grove Water System
Purchased Water Adjustment
Index
2018**

Cover Letter


Page 1 & 2 Purchased Water Adjustment Form

Exhibit A Henderson Water Utility Rate Increase
Exhibit B Calculation of Rate Increase
Exhibit C Current Rates and Proposed Rates
Exhibit D Water Board Meeting Minutes
Exhibit E Certification of Response

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

RECEIVED**JAN 22 2018**PUBLIC SERVICE
COMMISSION

Name of Utility	Beech Grove Water System INC.		
Date	January 16 2018		
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	2.5222	2.6165
	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	January 2017	through	December 2017
	(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. Exhibit B			

Supplier(s)	Gallons Purchased during 12-month period
City of Henderson	76,247,823
West Daviess County Water	7,658,000
TOTAL PURCHASES	83,905,823
4. Total gallons sold for the 12-month period	70,758,904
5. Increased water cost	\$7190.17
<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	0.101615052
<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	April 1, 2018
	
Signature of Utility Officer	
President	
Title	

HENDERSON WATER UTILITY

Water • Wastewater • Stormwater

MANAGED BY THE CITY OF HENDERSON WATER & SEWER COMMISSION

Exhibit A

November 30, 2017

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

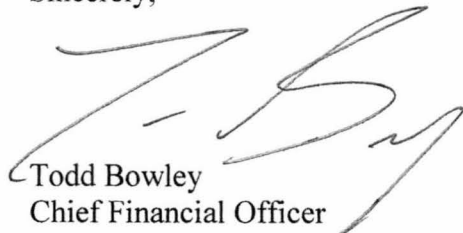
Dear Mr. Conrad:

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 2016-2017 has been completed and the new rates are shown below. The new rate will be implemented beginning with March 2018 consumption.

BEECH GROVE WATER RATE	
Current Rate Per 1,000 Gallons	New Rate Per 1,000 Gallons
\$2.5222	\$2.6165

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

Sincerely,



Todd Bowley
Chief Financial Officer

Exhibit-B

SUPPLIER	NEW RATE (per 1,000)	OLD RATE (per 1,000)
Henderson	\$2.6165	\$2.5222
Daviess	\$2.4100	\$2.4100

TWELVE MONTH TEST PERIOD:

SUPPLIER	GALLONS PURCHASED DURING TEST PERIOD
Henderson	76,247,823
Daviess	7,658,000

TOTAL 83,905,823

SUPPLIER	COST AT NEW RATE	COST AT OLD RATE	INCREASED WATER COST
Henderson	\$199,502.43	\$192,312.26	
1	\$18,455.78	\$18,455.78	
2	\$0.00	\$0.00	
TOTAL	\$217,958.21	\$210,768.04	= \$7,190.17

TOTAL GALLONS SOLD FOR THE TEST PERIOD : 70,758,904

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

\$7,190.17	/	70,758,904	/1000	=	0.101615052
				ROUNDED	0.11

	<u>Sold</u>	<u>Purchased</u>	<u>Sold</u>	<u>Purchased</u>
January	5,120,118	5,579,474	-	251,000
February	5,221,297	4,813,395	-	221,000
March	4,522,861	5,611,930	-	236,000
April	4,480,559	5,258,597	-	424,000
May	5,362,000	6,582,834	-	1,050,000
June	8,213,163	6,567,231	-	756,000
July	6,948,423	7,518,896	-	1,117,000
August	6,304,535	7,051,886	-	1,109,000
September	7,227,356	6,858,888	-	885,000
October	5,934,286	6,841,208	-	833,000
November	5,791,559	6,334,064	-	460,000
December	5,632,747	7,229,420	-	316,000
TOTAL	70,758,904	76,247,823	-	7,658,000

Exhibit C

Current 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

Proposed Rate

First	2,000 gallons	\$ 16.94	Minimum Bill
Next	98,000 gallons	\$ 5.28	Per 1,000 gallons
All Over	100,000 gallons	\$ 4.38	Per 1,000 gallons
Bulk Loading Station		\$ 2.21	Per 1,000 gallons

BEECH GROVE WATER SYSTEM

Meeting

January 11, 2018

Present were President Nathan Ward, Greg Cheatham, Greg Dant, Wally Murphy, Michael Wahl and Sheila Murphy, Randy Winn & Bruce Fulkerson

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

The minutes & financial report of the Dec 12, 2017 meeting were reviewed. Motion was made by Wally and seconded by Greg Dant to approve the minutes & financial report as prepared. Motion carried unanimously.

Old Business

Michael Wahl gave update on booster pump

Michael Wahl gave update on meter project

Michael Wahl gave update on Hwy 140 project

2018 Henderson water rate increasing from 2.5222 to 2.6165

2017 water rate increase was 2.3816 to 2.5222

2016 water loss 23%

2017 water loss 14.8 %

Nathan Ward & Greg Cheatham term on water board expires in April 2018

New Business

Mr. Winn & Mr. Fulkerson asked the water system to move meters free of charge. Nathan explained that all customers must pay to move their meter we need to treat all customers the same.

Wally made motion to mail letters to customers to nomination two (2) candidates for water board; Greg Dant 2nd & motion carried.


Henderson Water increased water rate from 2.5222 per thousand to 2.6165 per thousand increases of .1406 per thousand

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

Greg C. made motion to table cleaning outside of storage tank at this time Wally seconded motion and Motion carried unanimously.

ADJOURNMENT

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



Nathan Ward - President

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

IN MATTER OF:

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

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**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: 1/16/18

Nathan Ward

Nathan Ward
President

Prepared By

Sheila Murphy

Sheila Murphy