

DORSEY, GRAY, NORMENT & HOPGOOD

ATTORNEYS-AT-LAW

318 SECOND STREET

HENDERSON, KENTUCKY 42420

JOHN DORSEY (1920-1986)
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J. CHRISTOPHER HOPGOOD
S. MADISON GRAY
DAVIS L. HUNTER

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February 8, 2019

RECEIVED

FEB 11 2019

PUBLIC SERVICE
COMMISSION

FEDEX

Ms. Gwen R. Pinson
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40601

Re: Henderson County Water District
2019 Purchased Water filing

Dear Ms. Pinson:

Enclosed for filing is the Henderson County Water District's Purchased Water application. Attached as "Exhibit A" is the notification from our wholesale provider, Henderson Water Utility, with attachments. Also enclosed is purchased water adjustment worksheet ("Exhibit B"), tariff sheets ("Exhibit C"), notice for the newspaper and a resolution ("Exhibit D") of the Henderson County Water District approving the purchased water adjustment and tariff sheets.

Your assistance in this matter is appreciated.

Very truly yours,

DORSEY, GRAY, NORMENT & HOPGOOD

By


J. Christopher Hopgood

JCH/cds
Encls.


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

RECEIVED

FEB 11 2019

PUBLIC SERVICE
COMMISSION

Name of Utility	Henderson County Water District		
Date	2/6/2019		
Address	655 South Main, P.O. Box 655		
City, State, Zip	Henderson KY, 42419		
Telephone Number	(270) 826-9802		
Email Address	pconrad@hendersoncounty.ky.gov		
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, North	\$3.2064	\$3.1509	
Henderson Water Utility, South	\$2.5708	\$2.5039	
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	1/ 2018	through	12/2018
	(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, North	351,279,690
Henderson Water Utility, South	37,136,608
TOTAL PURCHASES	388,416,298
4. Total gallons sold for the 12 month period	348,381,962
5. Increased water cost	\$174,369.48
<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	\$0.0787
<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. Exhibit C</p>	
7. A schedule listing the current and proposed rates is attached as Exhibit	
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, 2019
	
Signature of Utility Officer	
Superintendent	
Title	



Henderson Water Utility

WATER • WASTEWATER • STORMWATER

270.826.2421

www.hkywater.org

111 Fifth Street
Henderson, KY 42420

December 19, 2018

Mr. Pete Conrad
Henderson County Water District
655 South Main Street
P.O. Box 655
Henderson, Kentucky 42419

Dear Mr. Conrad:

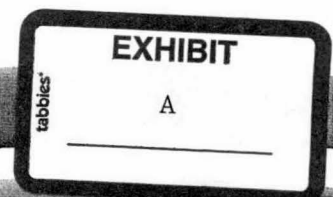
In accordance with the contract between the Henderson Water Utility (HWU) and the Henderson County Water District, the costs of providing water services based on our fiscal year June 30, 2018 audit have been calculated by HWU and examined by our auditors, Riney Hancock CPAs PSC for our North and South Water Systems. Enclosed is a copy of each individual calculation and the accountant's report provided by our auditors. The following table summarizes the current versus the new rates:

Henderson County Water District		
	Current Rate Per 1,000 Gallons	New Rate Per 1,000 Gallons
North	\$3.2064	\$3.1509
South	\$2.5708	\$2.5039

These revised rates are to go into effect on the first billing after March 31, 2019. We appreciate the opportunity to serve the Henderson County Water District. If you have questions concerning this letter please contact me.

Sincerely,

Todd Bowley
Chief Financial Officer



**Henderson County Water District
 Calculation of North Water Cost Per Contract
 6/30/2018**

Operating Expenses	\$ 5,717,313
Interest Expense	<u>111,676</u>
Total Cost	5,828,989
Less: City Overhead Allocation	(224,000)
Net Expenses applicable to HCWD	<u><u>\$ 5,604,989</u></u>

Calculation:

Expenses per above	\$ 5,604,989
Volumes in gallons	2,223,567,979
Rate per 1000 gals	\$ 2.5207
Times contract factor	1.25
Calculated Rate per 1,000 gals	<u><u>\$ 3.1509</u></u>

**Henderson County Water District
Calculation of South Water Cost Per Contract
6/30/2018**

Operating Expenses	\$ 1,804,208
Interest Expense	<u>51,192</u>
Total Cost	1,855,400
Less: City Overhead Allocation	(64,000)
Net Expenses applicable to HCWD	<u><u>\$ 1,791,400</u></u>

Calculation:

Expenses per above	\$ 1,791,400
Volumes in gallons	894,293,112
Rate per 1000 gals	\$ 2.0031
Times contract factor	1.25
Calculated Rate per 1,000 gals	<u><u>\$ 2.5039</u></u>

HCWD 2019 Pass-Thru calculation

HWU-North

	Purchased Water	Cost	Total	
Current Rate	351,279.690	2.7319	959,660.98511	
Proposed Rate	351,279.690	3.2064	1,126,343.19802	
		Difference	166,682.21291	

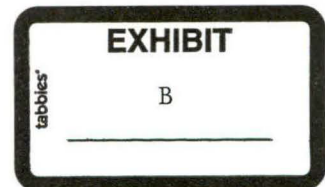
HWU-South

	Purchased Water	Cost	Total	
Current Rate	37,136.608	2.3638	87,783.51399	
Proposed Rate	37,136.608	2.5708	95,470.79185	
		Difference	7,687.27786	

HWU-North	166,682.21291
HWU-South	7,687.27779
Total Difference	174,369.49076

Cost Divided by	174,369.49076
Water Sold	348381.962
Purchased water adjustment factor	0.50051

Exhibit B



FOR Henderson & Webster Counties

PSC KY NO. _____

SHEET NO. 3

CANCELLING PSC KY NO. _____

SHEET NO. 3

Henderson County Water District
(NAME OF UTILITY)

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

First	2,000 gallons	\$20.26 Minimum bill
Next	8,000 gallons	7.44 per 1,000 gallons
Next	20,000 gallons	6.91 per 1,000 gallons
Over	30,000 gallons	6.38 per 1,000 gallons

1-Inch Meter

First	5,000 gallons	\$42.58 Minimum bill
Next	5,000 gallons	7.44 per 1,000 gallons
Next	20,000 gallons	6.91 per 1,000 gallons
Over	30,000 gallons	6.38 per 1,000 gallons

2-Inch Meter

First	16,000 gallons	\$121.24 Minimum bill
Next	14,000 gallons	6.91 per 1,000 gallons
Over	30,000 gallons	6.38 per 1,000 gallons

3-Inch Meter

First	30,000 gallons	\$217.98 Minimum bill
Over	30,000 gallons	6.38 per 1,000 gallons

4-Inch Meter

First	50,000 gallons	\$345.58 Minimum bill
Over	50,000 gallons	6.38 per 1,000 gallons

6-Inch Meter

First	100,000 gallons	\$664.58 Minimum bill
Over	100,000 gallons	6.38 per 1,000 gallons

DATE OF _____
MONTH / DATE / YEAR

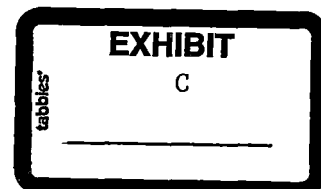
DATE EFFECTIVE March 1, 2019
MONTH / DATE / YEAR

ISSUED BY _____
SIGNATURE OF OFFICER

TITLE Superintendent

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED 2019



FOR Henderson & Webster Counties

PSC KY NO. _____

SHEET NO. 3

CANCELLING PSC KY NO. _____

SHEET NO. 3

Henderson County Water District
(NAME OF UTILITY)

Volunteer Fire Department (Metered Services) \$20.40 per month

The monthly charge for water usage of the respective minimum water rates set out above shall be computed in increments of 10 gallons. Accordingly, a customer having a 5/8 inch meter who consumes at least 2,010 gallons of water and not more than 2,019 gallons of water in any month shall pay the amount of \$20.34 for the month (\$20.26 plus \$0.08). A customer having a 5/8 inch meter who consumes at least 2,020 and not more than 2,029 gallons of water in any month shall pay the amount of \$20.44 for that month (\$20.26 plus \$0.16).

THE BASE RATE FOR PURCHASED WATER SHALL BE:

<u>Supplier</u>	<u>Rate</u>
Henderson Water Utilities (North) PWSID #0510188	\$3.1509 per 1,000 Gallons
Henderson Water Utilities (South) PWSID #0510510	\$2.5039 per 1,000 Gallons

DATE OF _____
MONTH / DATE / YEAR

DATE EFFECTIVE March 1, 2019
MONTH / DATE / YEAR

ISSUED BY _____
SIGNATURE OF OFFICER

TITLE Superintendent

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED 2019

NOTICE

Notice is hereby given that Henderson County Water District ("District") received approval from the Public Service Commission ("PSC") to adjust its rates pursuant to a decreased wholesale rate from its water supplier, Henderson Water Utility. The new rates shown below will be effective for service rendered after March 1, 2019.

<u>Monthly Rates</u>	<u>Prior Rate</u>	<u>New Rates</u>	<u>\$ Decrease</u>	<u>% Decrease</u>
<u>5/8-Inch x 3/4 -Inch Meter</u>				
First 2,000 gallons (minimum bill)	\$20.40	\$20.26	\$0.14	0.69%
Next 8,000 gallons (per 1,000 gallons)	7.51	7.44	0.07	0.93%
Next 20,000 gallons (per 1,000 gallons)	6.98	6.91	0.07	1.00%
Over 30,000 gallons (per 1,000 gallons)	6.45	6.38	0.07	1.10%
<u>1-Inch Meter</u>				
First 5,000 gallons (minimum bill)	\$42.93	\$42.93	\$0.35	0.82%
Next 5,000 gallons (per 1,000 gallons)	7.51	7.51	0.07	0.93%
Next 20,000 gallons (per 1,000 gallons)	6.98	6.98	0.07	1.00%
Over 30,000 gallons (per 1,000 gallons)	6.45	6.45	0.07	1.10%
<u>2-Inch Meter</u>				
First 16,000 gallons (minimum bill)	\$122.36	\$122.36	\$1.12	0.92%
Next 14,000 gallons (per 1,000 gallons)	6.98	6.98	0.07	1.00%
Over 30,000 gallons (per 1,000 gallons)	6.45	6.45	0.07	1.10%
<u>3-Inch Meter</u>				
First 30,000 gallons (minimum bill)	\$220.08	\$220.08	\$2.10	0.95%
Over 30,000 gallons (per 1,000 gallons)	6.45	6.45	0.07	1.10%
<u>4-Inch Meter</u>				
First 50,000 gallons (minimum bill)	\$349.08	\$349.08	\$3.50	1.00%
Over 50,000 gallons (per 1,000 gallons)	6.45	6.45	0.07	0.10%
<u>6-Inch Meter</u>				
First 100,000 gallons (minimum bill)	\$671.58	\$671.58	\$7.00	1.04%
Over 100,000 gallons (per 1,000 gallons)	6.41	6.41	0.07	1.10%
Vol. Fire Dept. (Metered Services/Flat Rate)	\$20.40	\$20.40	\$0.14	0.69%

The monthly bill for an average customer using 4,000 gallons of water each month will decrease \$0.28 (or 0.79%) from \$35.42 to \$35.14.

A person may examine this application at the district's office located at 655 South Main Street in Henderson; telephone (270)826-9802.

A person may also examine this application at the PSC located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m. or on the PSC website at <http://psc.ky.gov>; telephone (502) 564-3940.

Resolution

The Henderson County Water District met at its regular monthly business meeting on Wednesday January 23, 2019 at the office of the Henderson County Water District and upon motion of Commissioner Mike Skaggs seconded by Commissioner Bobby Yates, the following resolution was enacted:

Whereas, the Henderson County Water District received notice from the Henderson Water Utility of the decreased wholesale cost of water beginning with the first bill after March 31, 2019: and

Whereas, the Henderson County Water District's auditor has approved the Henderson Water Utility's methodology for determining the cost;

Now, therefore, upon unanimous vote after motion and second as set forth above, the Board of Commissioners resolve as follows:

1. The purchased water decrease is accepted and the decrease is to be implemented upon approval by the Kentucky Public Service Commission.
2. The Henderson County Water District hereby authorizes the Superintendent and counsel to file the necessary purchased water application with the Kentucky Public Service Commission

This the 23rd day of January, 2019.


Chairman, Henderson County Water District

Attest:


Secretary

