

RECEIVED

FEB 10 2020

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
211 Sower Lane
Frankfort, KY 40602

January 30, 2020

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

Dear Director Gwen Pinson:

Henderson Water Utility has mailed us written notice new water rates will be implement for March 2020 consumption. I have included the information for a Purchase Water Adjustment.

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

Sincerely,

Sheila Murphy

**Beech Grove Water System
Purchased Water Adjustment
2020**

RECEIVED

FEB 10 2020

**PUBLIC SERVICE
COMMISSION**

Cover Letter

Page 1 & 2 Purchased Water Adjustment Form

Exhibit A Henderson Water Utility letter for new water rate increase.

Exhibit B Current & Proposed rates

Exhibit C Calculation of rate increase

Exhibit D Water Board Meeting Minutes

Exhibit E Certification of Response

Exhibit F Water purchased & sold 2019

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

Name of Utility	Beech Grove Water System	
Date	1/30/2020	
Address	445 Highway 445 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	2.5031	2.7470
West Daviess Co Water	3.19	3.19

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 2019	through	December 2019
	(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	81,286,656
West Daviess Co Water	4,211,000
TOTAL PURCHASES	85,497,656
4. Total gallons sold for the 12 month period	71,905,590
5. Increased water cost	.28
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	
6. Purchased water adjustment factor	.28
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
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.	
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	March 15 2020
	
Signature of Utility Officer President	



Henderson Water Utility
WATER • WASTEWATER • STORMWATER

Exhibit A

☎ 270.826.2421
💻 www.hkywater.org
📍 111 Fifth Street
Henderson, KY 42420

January 8, 2020

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

Dear Mr. Conrad:

In accordance with the contract between the Henderson Water Utility (HWU) and the Beech Grove Water System, the costs of providing water services based on our fiscal year June 30, 2019 audit have been calculated by HWU and examined by our auditors, Riney Hancock CPAs PSC for our South Water System. Enclosed is a copy of the individual calculation and the accountant's report provided by our auditors. The following table summarizes the current versus the new rate:

BEECH GROVE WATER RATE	
Current Rate	New Rate
Per 1,000 Gallons	Per 1,000 Gallons
\$2.5031	\$2.7470

These revised rates are to go into effect on the billing for March 2020 consumption. We appreciate the opportunity to serve the Beech Grove Water System. If you have questions concerning this letter please contact me.

Sincerely,

Todd Bowley
Chief Financial Officer

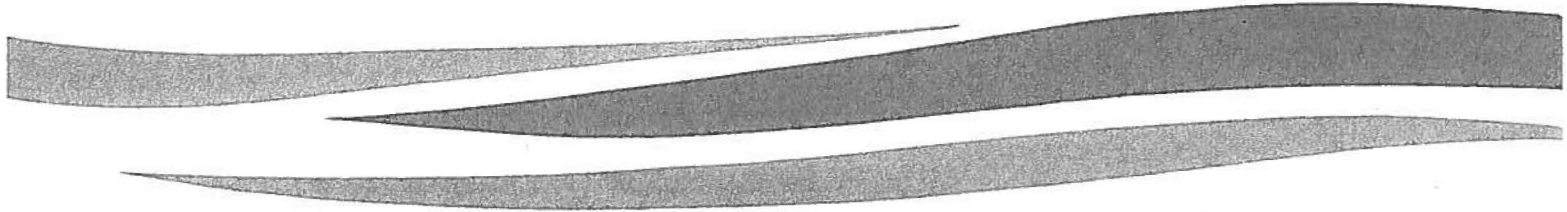


Exhibit B

Current Rate

First	2,000 gallons	\$ 16.78	Minimum Bill
Next	98,000 gallons	\$ 5.20	Per 1,000 gallons
All Over	100,000 gallons	\$ 4.30	Per 1,000 gallons
Bulk Loading Station		\$ 2.13	Per 1,000 gallons

Proposed Rate

First	2,000 gallons	\$ 17.34	Minimum Bill
Next	98,000 gallons	\$ 5.76	Per 1,000 gallons
All Over	100,000 gallons	\$ 4.86	Per 1,000 gallons
Bulk Loading Station		\$ 2.69	Per 1,000 gallons

Beech Grove Water System

	NEW RATE (per 1,000)		OLD RATE (per 1,000)		<u>EXHIBIT - C</u>
<u>SUPPLIER</u>					
West Daviess	\$3.1900		\$3.1900		
Henderson	\$2.7470		\$2.5031		
TWELVE MONTH TEST PERIOD:		Jan 2019 thru Dec 2019			
		<u>GALLONS PURCHASED DURING TEST PERIOD</u>			
<u>SUPPLIER</u>					
West Daviess			4,211,000		
Henderson			81,286,656		
TOTAL			85,497,656		
<u>SUPPLIER</u>	<u>COST AT NEW RATE</u>		<u>COST AT OLD RATE</u>		
West Daviess	\$13,433.09		\$13,433.09		
Henderson	\$223,294.44		\$203,468.63		<u>INCREASED WATER COST</u>
TOTAL	\$236,727.53	-	\$216,901.72	=	\$19,825.82
TOTAL GALLONS SOLD FOR THE TEST PERIOD :				71,905,590	
Increased Water Cost /(total gallons sold / 1,000) = Purchased Water Adjustment Factor					
\$19,825.82	/	71,905,590	/1000	=	0.275720085
				ROUNDED	0.28

BEECH GROVE WATER SYSTEM

Meeting

January 14, 2020

Present were President Nathan Ward, Greg Cheatham, Greg Dant, 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, 2019 meeting were reviewed. Motion was made by Greg C and seconded by Greg D to approve the minutes & financial report as prepared. Motion carried unanimously.

Old Business

Greg D & Chad's term on water board expires April 2019

New Business

Greg C made motion to mail customers nomination notifications for TWO (2) candidates for water board; Wally 2nd & motion carried.

Henderson Water increased water rate from 2.5031 per thousand to 2.74.70 per thousand Motion by Greg C to pass along the rate increase to our customer. Motion 2nd by Wally; 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

**** ** ** ** ** *
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 30, 2020



Nathan Ward
President

Prepared By

Sheila Murphy

