North Hopkins Water District 1580 Neelie Webb Road Madisonville, Kentucky 42431



December 10, 2004

Public Service Commission of Kentucky 211 Sower Blvd. P. O. Box 615 Frankfort, Kentucky 40601

Case 2004-00502

Pursuant to KRS 278.012 and 278.015 we respectfully submit the enclosed application for a Purchased Water Rate Adjustment.

Sincerely,

Billy Parker, Chairman

cc: file

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

	Hopkins Water District of Utility)				
Decer (Date)	mber 10, 2004				
1580 (Addres	Neelie Webb Road				
Madis (City, S	sonville, KY 42431 _{State)}				
(270) 825-1623 (Telephone Number)					
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 shedule must be shown. Attach additional sheets if necessary.				
	Supplier(s)	Base Rate	Changed Rate		
City o	of Madisonville, Kentucky	1.82 per 1,000 gallons	2.19 per 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. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).				
October 2003 t (month and year)				
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 decling block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.				
Supplier(s) of Madisonville, Kentu	icky	Gallons Purchased during 12 month period 68,756,000		
TOTAL PURCHASE	S	68,756,000		
	Twelve-month perio (This twelve-month of twelve-month of twelve-month of twelve-month of twelve-month and year) Statement of water processed through of must be shown. At the Supplier (s) of Madisonville, Kenture	Twelve-month period upon which the (This twelve-month period must end was a constant of water purchases. Where supplier, purchases from each supplier purchased through a decling block ramust be shown. Attach an additional	Twelve-month period upon which the purchased water adjustment is be (This twelve-month period must end within 90 days of this filing). October 2003 through September 2004. (month and year) Statement of water purchases. Where water is purchased from more that supplier, purchases from each supplier must be shown separately. If we purchased through a decling block rate schedule, purchases for each remust be shown. Attach an additional sheet if necessary. Supplier(s) Gallons Purchased during 12 month period 68,756,000	

Total sales for the 12 month period 62,102,900.

5. Increased water cost \$25,439.72.

4.

The increased water cost is the cost difference between purchases at base

(current rate) and purchases at new rate.

6. Purchased water adjustment factor 0.41 per 1,000 gallons.

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. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.

7. Proposed effective date January 10, 2005.

(Signature of Utility Officer)

Form for filing Rate Schedules	For <u>Hopkins County Kentucky</u> Community, Town or City
	P.S.C. NO
	SHEET NO
North Hopkins Water District	CANCELING P.S.C. NO. <u>2004-00037</u>
Name of Issuing Corporation	SHEET NO
CLASS	IFICATION OF SERVICE
Monthly Rates	
5/8 x 3/4 Inch Meters	#20.00 (A.C. '
First 2,000 gallons	\$20.08 (Minimum Bill)
Next 2,000 gallons	9.74 per 1,000 gallons
Next 3,000 gallons Next 3,000 gallons	7.39 per 1,000 gallons 6.24 per 1,000 gallons
Over 10,000 gallons	4.44 per 1,000 gallons
	• • •
3/4 Inch Meters First 3,000 gallons	\$29.82 (Minimum Bill)
Next 1,000 gallons	9.74 per 1,000 gallons
Next 3,000 gallons	7.39 per 1,000 gallons
Next 3,000 gallons	6.24 per 1,000 gallons
Over 10,000 gallons	4.44 per 1,000 gallons
47 134 .	
1 Inch Meters	\$46.95 (Minimum Bill)
First 5,000 gallons Next 2,000 gallons	7.39 per 1,000 gallons
Next 3,000 gallons	6.24 per 1,000 gallons
Over 10,000 gallons	4.44 per 1,000 gallons
2.52.2.5	
1-1/2 Inch Meters	
First 10,000 gallons	\$80.45 (Minimum Bill)
Over 10,000 gallons	4.44 per 1,000 gallons
2 Inch Meters	
First 15,000 gallons	\$102.65 (Minimum Bill)
Over 15,000 gallons	4.44 per 1,000 gallons
DATE OF ISSUE December 10, 2004	DATE EFFECTIVE January 10, 2005
4	
ISSUED BY Billy Parker	TITLE Chairman
•	ervice Commission of Kentucky in Case No



2822 North Main Street Madisonville, KY 42431 Phone: 270-821-3355 Fax: 270-821-0101

email: cpas@berryandkington.com

November 23, 2004

Mr. Lloyd Merrell City Administrative Officer City of Madisonville, Kentucky P.O. Box 705 Madisonville, KY 42431

Dear Lloyd:

We have prepared the accompanying Cost Review Formulas for revising calendar year wholesale rate charges as per Treated Water Sale and Purchase Agreements with the North Hopkins Water District.

We prepared the Cost Review Formulas using June 30, 2004 audited financial statements and wholesale user consumption records as provided by the City of Madisonville. We did not audit the wholesale user consumption records during our June 30, 2004 audit due to the fact that such records were outside the scope of the audit.

The wholesale water rate to be charged to the North Hopkins Water District is \$2.19 per each one thousand gallons of treated water. It is my understanding that the new rate will be charged from January 1, 2005 to December 31, 2005.

We appreciate the opportunity to be of service to the City of Madisonville. Please call if you have any questions regarding these computations.

Very truly yours,

Charles A. Kington,

North Hopkins Water District Purchased Water Rate Adjustment Date of Issue: December 10, 2004

EXHIBIT B - PURCHASED WATER ADJUSTMENT CALCULATIONS

Water Purchased: 68,756,000 gallons Water Sold: 62,102,900 gallons

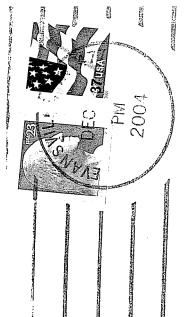
Cost at changed rate: 68,756,000/1,000 x \$2.19= \$150,575.64

LESS

Cost at base rate: $68,756,000/1,000 \times 1.82 = 125,135.92$

Increase in cost \$ 25,439.72

\$25,439.72/62,102,900 gallons sold = \$.0004096 or \$.41 per 1,000 gallons



HECEVED TO SOLVE TO THE PROPERTY OF THE PROPER PUBLIC SERVICE COMMISSION

Public Service Commission of Kentucky P O Box 615 Frankfort, KY 40601

Hopkins Water District Help Webb Road 2004 PM

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