## WEST DAVIESS COUNTY WATER DISTRICT

3400 Bittel Rd Owensboro, KY 42301 Phone: (270) 685-5594

Fax: (270) 683-6324

April 26, 2005

RECEIVED

APR 2 9 2005

PUBLIC SERVICE COMMISSION

Case 2005-00177

To: Mr. Thomas Dorman
Executive Director
Public Service Commission
211 Sower Blvd
P.O. Box 615
Frankfort, KY 40602

RE: Purchased Water Rate Adjustment

Mr. Dorman,

By letter dated March 22, 2005, we were notified that our wholesale supplier, Owensboro Municipal Utilities (OMU) will be increasing their rate charged to us from \$1.342 per 1,000 gallons to \$1.373 per 1,000 gallons effective June 1, 2005. As a result, we are submitting a purchased water adjustment to recover the additional water cost to the West Daviess County Water District. Pages 1 - 3 is the information requested by the Public Service Commission for the rate adjustment. Pages 4 and 5 is the revised tariff sheets which pertain to the rate increase. Exhibit A is the before mentioned letter from OMU. Exhibit B is our calculation of how the increase will affect the rates to our customers. Exhibit C is the newspaper notice notifying our customers of the purchased water adjustment submitted to the Public Service Commission to be included in our local newspaper within the next couple of days. We will send the affidavit once we receive it from the newspaper.

If there are any questions, please contact our office.

Sincerely,

WILLIAM G. HIGDON

Manager

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

## **RECEIVED**

APR 2 9 2005

West Daviess County Water District (Name of Utility)		PUBLIC SERVICE COMMISSION
April 26, 2005 (Date)		
3400 Bittel Rd (Address)	Case 2005-00177	7
Owensboro, KY 42301 (City, State)	-	
(270) 685-5594 (Telephone Number)	-	
1.a. Name of all wholesale suppliers at of each. In the event the water put that is not a flat rate schedule, the additional sheets if necessary.	ourchased is billed by	the supplier on a rate
Supplier(s)	Base Rate	Changed Rate
Owensboro Municipal Utilities	\$ 1.342 per 1,000 g	gal. \$ 1.373 per 1,000 gallons
	The second second second	

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	April 2004 the second control of the second	hrough	March 2005 (month and year)	
3.	supplier, purchases from e	each suppli ling block	re water is purchased from more than on er must be shown separately. If water i rate schedule, purchases for each mont nal sheet if necessary.	is
<u>Owen</u>	Supplier(s) sboro Municipal Utilitie	<u>s</u>	Gallons Purchased during 12 month period 416,212,533	
	TOTAL PURCHASES	-	416,212,533	
4.	Total sales for the 12 mo	nth period	357,977,400	
5.	Increased water cost\$ The increased water cos (current rate) and purcha	t is the co	 est difference between purchases at bas	se

6. Purchased water adjustment factor <u>.04 per 1,000 gallons</u>

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 June 1, 2005

Roard Chairman

	FOR West Daviess County, Kentucky Community, Town or City
	P.S.C. KY. NO1
	Sheet NO1
West Daviess County Water District (Name of Utility)	CANCELLING P.S.C. KY. NO1Sheet NO1
RATES AN	D CHARGES
A. MONTHLY RATES:	
5/8" x 3/4" Meter Customer Charge First 20,000 Gallons Over 20,000 Gallons  1" Meter Customer Charge First 20,000 Gallons Over 20,000 Gallons  1 1/2" Meter Customer Charge First 20,000 Gallons Over 20,000 Gallons Over 20,000 Gallons Over 20,000 Gallons  2" Meter Customer Charge First 20,000 Gallons Over 20,000 Gallons Over 20,000 Gallons	\$ 1.49 Per Month 3.17 Per 1,000 Gallons 2.40 Per 1,000 Gallons  \$ 3.73 Per Month 3.17 Per 1,000 Gallons 2.40 Per 1,000 Gallons  \$ 7.46 Per Month 3.17 Per 1,000 Gallons 2.40 Per 1,000 Gallons  \$ 14.93 Per Month 3.17 Per 1,000 Gallons  \$ 14.93 Per Month 3.17 Per 1,000 Gallons 2.40 Per 1,000 Gallons
DATE OF ISSUE April 26, 2005  Month / Date / Year	
DATE EFFECTIVE June 1, 2005  Month / Date / Year	
ISSUED BY MI Thursday Signature of Officer	
TITLE BOARD CHAIRMAN	·
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMIN CASE NO DATED	MISSION

	FOR West Daviess County, Kentucky Community, Town or City
	P.S.C. KY. NO1
	Sheet NO5
West Daviess County Water District (Name of Utility)	CANCELLING P.S.C. KY. NO1
(Name of Othicy)	Sheet NO5
RATES AND CH	ADCES
	ARGES
D. PURCHASED WATER RATES:	
Owensboro Municipal Utilities	<u>Rate</u> \$ 1.373 per 1,000 Gallons
E. WHOLESALE WATER RATES:	Data
McLean County Water District	<u>Rate</u> \$ 2.09 per 1,000 Gallons
Beech Grove Water Association	\$ 2.09 per 1,000 Gallons
DATE OF ISSUE April 26, 2005  Month / Date / Year	_
DATE EFFECTIVE June 1, 2005  Month / Date / Year	
ISSUED BY My Than Signature of Officer	<u>.</u>
TITLE BOARD CHAIRMAN	'
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSIO IN CASE NO DATED	N '



EXHIBIT A

March 22, 2005

Mr. Billy Higdon, Manager West Daviess County Water District 3400 Bittel Road Owensboro, KY 42301

Re: Wholesale Water Rate Increase

#### Dear Billy:

We have made the required rate calculations using projected usages and costs for the fiscal year ending May 31, 2005, as per the terms of our contract. A copy of these calculations is enclosed, as well as a copy of fiscal year 2004 true-up calculations.

Based on these calculations, the rate charged to the West Daviess County Water District will become \$1.373 per thousand gallons effective June 1, 2005, an increase of 2% versus fiscal year 2005. The ultimate per unit cost to West District is highly dependent upon the annual district usage.

Future year calculations may result in fluctuations in the rate per thousand gallons. The formal calculation will continue to be prepared annually. We will try to forward official notification of any change in your rate by March 16<sup>th</sup> of each year.

OMU issued water bonds in May 2003 to fund a number of upcoming capital projects. Virtually all of the capital projects included in this bond issue are related to new well field, storage, or production plant facilities. Based on the projected debt service schedule for this bond issue along with projected calculations for future fiscal years, West Daviess County Water District will likely experience an additional increase next year.

Sincerely,

Robert E. Hunzinger

General Manager

Cc: Kentucky Public Service Commission

Enclosures

Apr May Jun	2004	Sales 28,223,470 29,650,540 34,646,860	Gallons Purchased 31,721,326 33,077,758 42,905,292
Jul		37,906,480	40,315,022
Aug		35,113,810	39,643,535
Sep		31,807,760	35,630,600
Oct		30,664,600	31,528,500
Nov		27,529,950	34,277,500
Dec		24,786,940	31,940,400
Jan	2005	29,723,460	34,161,200
Feb		24,674,100	28.804.100
Mar	-	23,249,430	32,207,300 416,212,533
		1.342	410,212,000
	х .	1.02 1.373	

Cost at changed rate

416,212,533 x 1.342 per 1,000 gallons = \$ 571,459.81

Cost at base rate

416,212,533 x 1.373 per 1,000 gallons = \$ 558,557.22

\$ 12,902.59

Proposed increase of water rates

\$ 12,902.59 / 357,977,400 / 1000 gallons

= 0.04 per 1,000 gallons

# WEST DAVIESS COUNTY WATER DISTRICT RATE ADJUSTMENT INCREASE

HUCKERBE
In accordance with 807 KAR 5:068 and KRS
278:015, West Daviess County Water District
has applied for approval from the Kentucky
Public Service Commission for a rate increase
of 4 cents per 1,000 gallons of water effective
June 1, 2005. The rate increase reflects the
additional cost of water purchased from
Owensboro Municipal Utilities. The change
in rates will increase the average residential
customer's water bill of 5,500 gallons with a 3/4 "
meter from \$18.71 to \$18.93; an increase
of 1.18%. The following rates are proposed:
First 20,000 gallons\$ 3.17
Per 1,000 gallons
Over 20,000 gallons\$ 2.40
Per 1,000 gallons
Sales to other water districts\$ 2.09
Per 1,000 gallons
Customer charge by meter size:
5/8" x 3/4" \$ 1.49 per month
1"\$ 3.73 per month
1 1/2"\$ 7.46 per month
2"\$ 14.93 per month
WILLIAM G. HIGDON

MANAGER

West Daviess Co. Winter PMA:
3400 Bittel Road
Owersboro, Ky. 42301
7004 11h0 0002 9523 1519

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COMMISSION FUBLIC SERVICE

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Mr. Thomas Dorman, Executive Director Public Service Commission 211 Sower Bird P.O. Box 615 P.O. Box 602





