

Case No: 2008-00163

DORSEY, KING, GRAY, NORMENT & HOPGOOD

ATTORNEYS-AT-LAW

318 SECOND STREET

HENDERSON, KENTUCKY 42420

JOHN DORSEY (1920-1986)  
FRANK N. KING, JR.  
STEPHEN D. GRAY  
WILLIAM B. NORMENT, JR.  
J. CHRISTOPHER HOPGOOD  
S. MADISON GRAY

TELEPHONE  
(270) 826-3965  
TELEFAX  
(270) 826-6672  
www.dkgnlaw.com

March 19, 2008

FEDEX

RECEIVED

MAR 20 2008

PUBLIC SERVICE  
COMMISSION

Ms. Elizabeth O'Donnell  
Executive Director  
Public Service Commission of Kentucky  
211 Sower Boulevard  
Frankfort, Kentucky 406021

Re: Henderson County Water District  
Application for Purchased Water Adjustment

Dear Ms. O'Donnell:

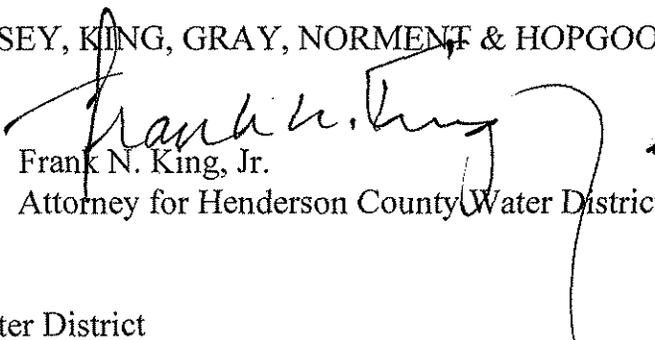
Enclosed please find an original and 10 copies of an application for a purchased water rate adjustment for Henderson County Water District, to be effective April 1, 2007. We request notification that this application meets minimum filing requirements and has been assigned a case number.

Your assistance in this matter is appreciated.

Very truly yours,

DORSEY, KING, GRAY, NORMENT & HOPGOOD

By



Frank N. King, Jr.

Attorney for Henderson County Water District

FNKJr/cds

Encls.

COPY/w/encls.: Henderson County Water District

Attorney General, Office of Rate Intervention

Case No. 2008-00103

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

RECEIVED

MAR 20 2008

PUBLIC SERVICE  
COMMISSION

Henderson County Water District  
(Name of Utility)

March 19, 2008  
(Date)

655 South Main Street  
(Address)

Henderson, KY 42419  
(City, State)

(270) 826-9802  
(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 schedule must be shown. Attach additional sheets if necessary.

<u>Supplier(s)</u>	<u>Base Rate</u>	<u>Changed Rate</u>
<u>Henderson Water Utility – North</u>	<u>\$1.5788</u>	<u>\$1.6716</u>
<u>Henderson Water Utility - South</u>	<u>\$1.5190</u>	<u>\$1.7096</u>

- 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 2007 through December 2007  
(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
<u>Henderson Water Utility - North</u>	<u>492,940,000</u>
<u>Henderson Water Utility - South</u>	<u>46,995,000</u>
<b>TOTAL PURCHASES</b>	<u>539,935,000</u>

4. Total sales for the 12 month period 424,776,430 gallons.

5. Increased water cost \$54,642.78.

The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

6. Purchased water adjustment factor 0.13.

The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.

(See attached Exhibit B for data responsive to paragraphs 3, 4, 5 and 6.)

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. See attached Exhibit C.

7. Proposed effective date April 1, 2008.

David W. Moore  
(Signature of Utility Officer)

Superintendent  
(Title)

# HENDERSON WATER UTILITY

Water • Wastewater • Stormwater

MANAGED BY THE CITY OF HENDERSON WATER & SEWER COMMISSION

A. LEASON NEEL, CPA  
CHIEF FINANCIAL OFFICER

March 17, 2008

Mr. David Moore  
Henderson County Water District  
655 South Main Street  
P.O. Box 655  
Henderson, Kentucky 42420

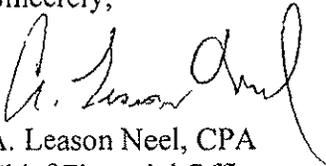
Dear Mr. Moore:

On December 14, 2007 a memorandum was sent to Mr. Allan Van Meter designating new rates that were to go into effect with the first billing after March 31, 2008 (March Consumption). After review of the contract by Mr. Judd Royster and subsequent discussions with me and approval of the Water and Sewer Commission, the rate calculation language for the South System has been reinterpreted thereby lowering our previously calculated rate to the amount summarized in the table below:

Henderson County Water District		
	Current Rate Per 1,000 Gallons	New Rate Per 1,000 Gallons
North	\$1.5788	\$1.6716
South	\$1.5190	\$1.7096

These revised rates are to go into effect on the first billing after March 31, 2008. We appreciate the opportunity to serve the Henderson County Water District. If you have questions concerning this letter please contact me.

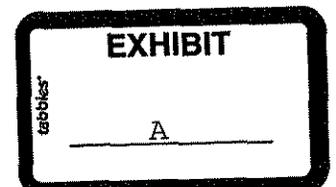
Sincerely,



A. Leason Neel, CPA  
Chief Financial Officer

Enclosures

c: Mr. Bruce Shipley  
Ms. Vickie Meuth  
Mr. Robert Gunter  
Mr. John Stier



# Henderson County Water District

SUPPLIER	NEW RATE (per 1,000)	OLD RATE (per 1,000)
Henderson North	\$1.6716	\$1.5789
Henderson South	\$1.7096	\$1.5190

TWELVE MONTH TEST PERIOD:

January 2007 thru December 2007

SUPPLIER	GALLONS PURCHASED DURING TEST PERIOD
Henderson North	492,940,000
Henderson South	46,995,000
TOTAL	539,935,000

SUPPLIER	COST AT NEW RATE	COST AT OLD RATE	INCREASED WATER COST
Henderson North	\$823,998.50	\$778,302.97	
Henderson South	\$80,342.65	\$71,385.41	
TOTAL	0.00	0.00	
TOTAL	\$904,341.16	\$849,688.37	= \$54,652.78

TOTAL GALLONS SOLD FOR THE TEST PERIOD :

424,776,430

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

$$\begin{array}{rclclcl}
 \$54,652.78 & / & 424,776,430 & /1000 & = & 0.128662471 \\
 & & & & \text{ROUNDED} & \boxed{0.13}
 \end{array}$$

	North		South	
	Sold	Purchased	Sold	Purchased
January	-	38,760,000	-	2,100,000
February	-	37,995,000	-	4,670,000
March	-	39,225,000	-	1,895,000
April	-	39,480,000	-	2,245,000
May	-	43,795,000	-	5,225,000
June	-	43,475,000	-	6,465,000
July	-	43,910,000	-	4,055,000
August	-	45,235,000	-	8,710,000
September	-	40,695,000	-	3,860,000
October	-	40,355,000	-	3,080,000
November	-	39,540,000	-	2,475,000
December	-	40,475,000	-	2,215,000
TOTAL	-	492,940,000	-	46,995,000

**EXHIBIT**

B

tabbles

FOR Henderson & Webster Counties  
Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

SHEET NO. 1

CANCELLING P.S.C.KY.NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

Henderson County Water District  
(Name of Utility)

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RATES and CHARGES

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5/8" x 3/4" Meter

First 2,000 Gallons	\$14.61 Minimum Bill
Next 8,000 Gallons	4.94 Per 1,000 Gallons
Next 20,000 Gallons	4.47 Per 1,000 Gallons
Over 30,000 Gallons	4.01 Per 1,000 Gallons

1 Inch Meter

First 5,000 Gallons	\$29.43 Minimum Bill
Next 5,000 Gallons	4.94 Per 1,000 Gallons
Next 20,000 Gallons	4.47 Per 1,000 Gallons
Over 30,000 Gallons	4.01 Per 1,000 Gallons

2 Inch Meter

First 16,000 Gallons	\$80.95 Minimum Bill
Next 14,000 Gallons	4.47 Per 1,000 Gallons
Over 30,000 Gallons	4.01 Per 1,000 Gallons

3 Inch Meter

First 30,000 Gallons	\$143.53 Minimum Bill
Over 30,000 Gallons	4.01 Per 1,000 Gallons

4 Inch Meter

First 50,000 Gallons	\$223.73 Minimum Bill
Over 50,000 Gallons	4.01 Per 1,000 Gallons

6 Inch Meter

First 100,000 Gallons	\$424.23 Minimum Bill
Over 100,000 Gallons	4.01 Per 1,000 Gallons

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Date of Issue: \_\_\_\_\_  
Month/Date/Year

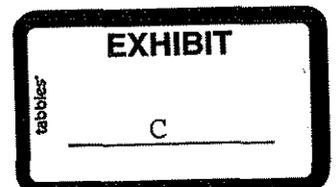
Date Effective: April 1, 2008  
Month/Date/Year

Issued by: David W. Moore

Title: Superintendent

BY AUTHORITY OF ORDERS OF THE PUBLIC SERVICE

COMMISSION IN CASE NO. 2008- \_\_\_\_\_ DATED \_\_\_\_\_



FOR Henderson & Webster Counties  
Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

SHEET NO. 2

CANCELLING P.S.C.KY.NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

Henderson County Water District  
(Name of Utility)

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RATES and CHARGES

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Volunteer Fire Department (Metered Services)

Flat Rate                      \$14.61 Maximum Bill

The monthly charge for water usage in excess 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 \$14.66 for the month (\$14.61 plus \$0.05). A customer having a 5/8 inch meter who consumes at least 2,020 gallons and not more than 2,029 gallons of water in any month shall pay the amount of \$14.70 (\$14.61 plus \$0.09).

THE BASE RATE FOR PURCHASED WATER SHALL BE:

<u>Supplier</u>	<u>Rate</u>
Henderson Water Utilities (North) PWSID#0510188	\$1.6716 per 1,000 gallons
Henderson Water Utilities (South) PWSID#0510510	\$1.7096 per 1,000 gallons

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Date of Issue: \_\_\_\_\_  
Month/Date/Year

Date Effective: April 1, 2008  
Month/Date/Year

Issued by: David W. Moore

Title: Superintendent

BY AUTHORITY OF ORDERS OF THE PUBLIC SERVICE

COMMISSION IN CASE NO. 2008- \_\_\_\_\_ DATED \_\_\_\_\_