

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 11, 2009

RECEIVED

MAR 12 2009

PUBLIC SERVICE  
COMMISSION

FEDEX

Mr. Jeff Derouen  
Executive Director  
Public Service Commission of Kentucky  
211 Sower Boulevard  
Frankfort, Kentucky 406021

2009-00109

Re: Henderson County Water District  
Application for Purchased Water Adjustment

Dear Mr. Derouen:

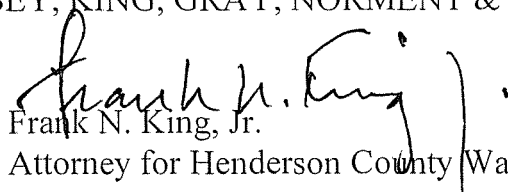
Enclosed please find an original and 10 copies of an application for a purchased water rate adjustment for Henderson County Water District, to be effective April 1, 2009. We request notification that this application meets minimum filing requirements and has been assigned a case number.

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

RECEIVED

MAR 12 2009

PUBLIC SERVICE  
COMMISSION

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

Name of Utility	Henderson County Water District	
Date	March // , 2009	
Address	Post Office Box 655 655 South Main Street	
City, State, Zip	Henderson, KY 42419	
Telephone Number	(270) 826-9802	

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.

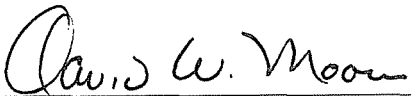
Supplier(s)	Base Rate	Changed Rate
Henderson Water Utility - North	1.6716	\$1.6903
Henderson Water Utility - South	1.7096	\$2.0506

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 2008	through	December 2008
	(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		514,046,000
Henderson Water Utility - South		48,047,100
<b>TOTAL PURCHASES</b>		562,093,100
4. Total sales for the 12 month period	414,301,357 gallons	
5. Increased water cost	\$25,996.72	
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.		
6. Purchased water adjustment factor	0.06	
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 items 3, 4, 5 and 6.		
<p><b>Note:</b> 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.</p>		
7. Proposed effective date	April 1, 2009	
		
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

January 5, 2009

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

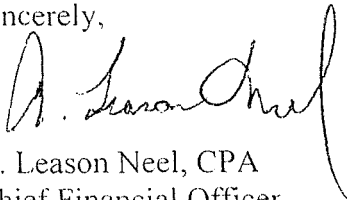
Dear Mr. Moore:

In accordance with the contract between the Henderson Water and Sewer Commission and the Henderson County Water District, the costs of providing water services based on our 2007-2008 fiscal year audit have been calculated by our auditors, McElroy, Mitchell & Associates, LLP for our North and South Water Systems. Enclosed is a copy of each individual letter highlighting their calculations. The following table summarizes the current versus the new rates:

<b>Henderson County Water District</b>		
	<b>Current Rate Per 1,000 Gallons</b>	<b>New Rate Per 1,000 Gallons</b>
North	\$1.6716	\$1.6903
South	\$1.7096	\$2.0506

These revised rates are to go into effect on the first billing after March 31, 2009. We appreciate the opportunity to serve the Henderson County Water District. If you have questions concerning this letter please contact me.

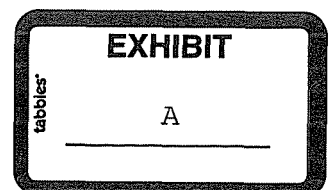
Sincerely,



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	\$1.6903	\$1.6716
Henderson South	\$2.0506	\$1.7096

TWELVE MONTH TEST PERIOD:

January 2008 thru December 2008

SUPPLIER	GALLONS PURCHASED DURING TEST PERIOD
Henderson North	514,046,000
Henderson South	48,047,100
TOTAL	562,093,100

SUPPLIER	COST AT NEW RATE	COST AT OLD RATE	INCREASED WATER COST
Henderson North	\$868,891.95	\$859,279.29	
Henderson South	\$98,525.38	\$82,141.32	
TOTAL	\$967,417.34	\$941,420.62	= \$25,996.72

TOTAL GALLONS SOLD FOR THE TEST PERIOD : 414,301,357

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

$$\begin{array}{rclclcl}
 \$25,996.72 & / & 414,301,357 & /1000 & = & 0.062748337 \\
 & & & & \text{ROUNDED} & \boxed{0.06}
 \end{array}$$

	North		South	
	Sold	Purchased	Sold	Purchased
January	-	41183000	-	2932000
February	-	39424000	-	2656800
March	-	41558000	-	2848200
April	-	38973000	-	3097700
May	-	38431000	-	3562200
June	-	54298000	-	4646300
July	-	45675000	-	4541200
August	-	41092000	-	6283600
September	-	43365000	-	3109600
October	-	43918000	-	3735100
November	-	42436000	-	4129000
December	-	43693000	-	6505400
TOTAL	-	514,046,000	-	48,047,100

**EXHIBIT**

B

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)

---

RATES and CHARGES

---

5/8" x 3/4" Meter

First 2,000 Gallons	\$14.73 Minimum Bill
Next 8,000 Gallons	5.00 Per 1,000 Gallons
Next 20,000 Gallons	4.53 Per 1,000 Gallons
Over 30,000 Gallons	4.07 Per 1,000 Gallons

1 Inch Meter

First 5,000 Gallons	\$29.73 Minimum Bill
Next 5,000 Gallons	5.00 Per 1,000 Gallons
Next 20,000 Gallons	4.53 Per 1,000 Gallons
Over 30,000 Gallons	4.07 Per 1,000 Gallons

2 Inch Meter

First 16,000 Gallons	\$81.91 Minimum Bill
Next 14,000 Gallons	4.53 Per 1,000 Gallons
Over 30,000 Gallons	4.07 Per 1,000 Gallons

3 Inch Meter

First 30,000 Gallons	\$145.33 Minimum Bill
Over 30,000 Gallons	4.07 Per 1,000 Gallons

4 Inch Meter

First 50,000 Gallons	\$226.73 Minimum Bill
Over 50,000 Gallons	4.07 Per 1,000 Gallons

6 Inch Meter

First 100,000 Gallons	\$430.23 Minimum Bill
Over 100,000 Gallons	4.07 Per 1,000 Gallons

---

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

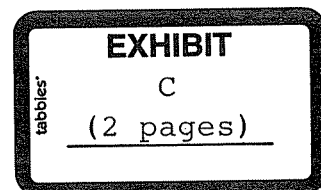
Date Effective: April 1<sup>st</sup>, 2009  
Month/Date/Year

Issued by: \_\_\_\_\_

Title: Superintendent

BY AUTHORITY OF ORDERS OF THE PUBLIC SERVICE

COMMISSION IN CASE NO. 2009- \_\_\_\_\_ 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)

---

RATES and CHARGES

---

Volunteer Fire Department (Metered Services)

Flat Rate                      \$14.73 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 \$14.78 for the month (\$14.73 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 \$14.83 (\$14.73 plus \$0.10).

THE BASE RATE FOR PURCHASED WATER SHALL BE:

<u>Supplier</u>	<u>Rate</u>
Henderson Water Utilities (North) PWSID#0510188	\$1.6903 per 1,000 gallons
Henderson Water Utilities (South) PWSID#0510510	\$2.0506 per 1,000 gallons

---

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

Date Effective: April 1st, 2009  
Month/Date/Year

Issued by: \_\_\_\_\_

Title: Superintendent

BY AUTHORITY OF ORDERS OF THE PUBLIC SERVICE

COMMISSION IN CASE NO. 2009- \_\_\_\_\_ DATED \_\_\_\_\_