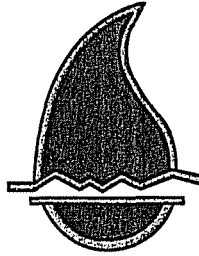


**Hopkinsville Water Environment Authority**

401 East 9th Street • P.O. Box 628 • Hopkinsville, Kentucky 42241-0628

Len F. Hale  
General Manager



2009-00373  
Phone (270) 887-4246  
Fax (270) 887-4244

September 2, 2009

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
PO Box 615  
Frankfort, KY 40602

**RECEIVED**

SEP 03 2009

**PUBLIC SERVICE  
COMMISSION**

RE: Wholesale Water Rate Increase  
Seller: Hopkinsville Water Environment Authority  
Buyer: Christian County Water District

Dear Mr. Derouen:

In support of the wholesale water rate increase proposed by the Hopkinsville Water Environment Authority (HWEA), we have enclosed the original and four (4) copies of the following documents:

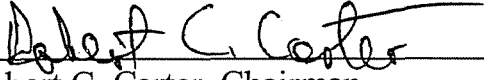
1. Tariff which lists the proposed Wholesale Water Rate and proposed effective date;
2. Notice provided to the Christian County Water District (CCWD). HCWD is the only wholesale water customer of HWEA;
3. Letter to Mr. Ashbel Brunson, III, Chairman of CCWD dated September 1, 2009; and

4. City of Hopkinsville Ordinance 15-2009 enacted on August 20, 2009.  
This Ordinance amends not only the Wholesale Water Rate but also the Retail Water and Waste Water Rates for all HWEA customers.

I hereby certify that all of the foregoing documents were hand delivered to CCWD on September 1, 2009. Therefore, CCWD received actual notice of the proposed Wholesale Water Rate increase more than 30 days in advance of the October 5, 2009 effective date of the proposed increase.

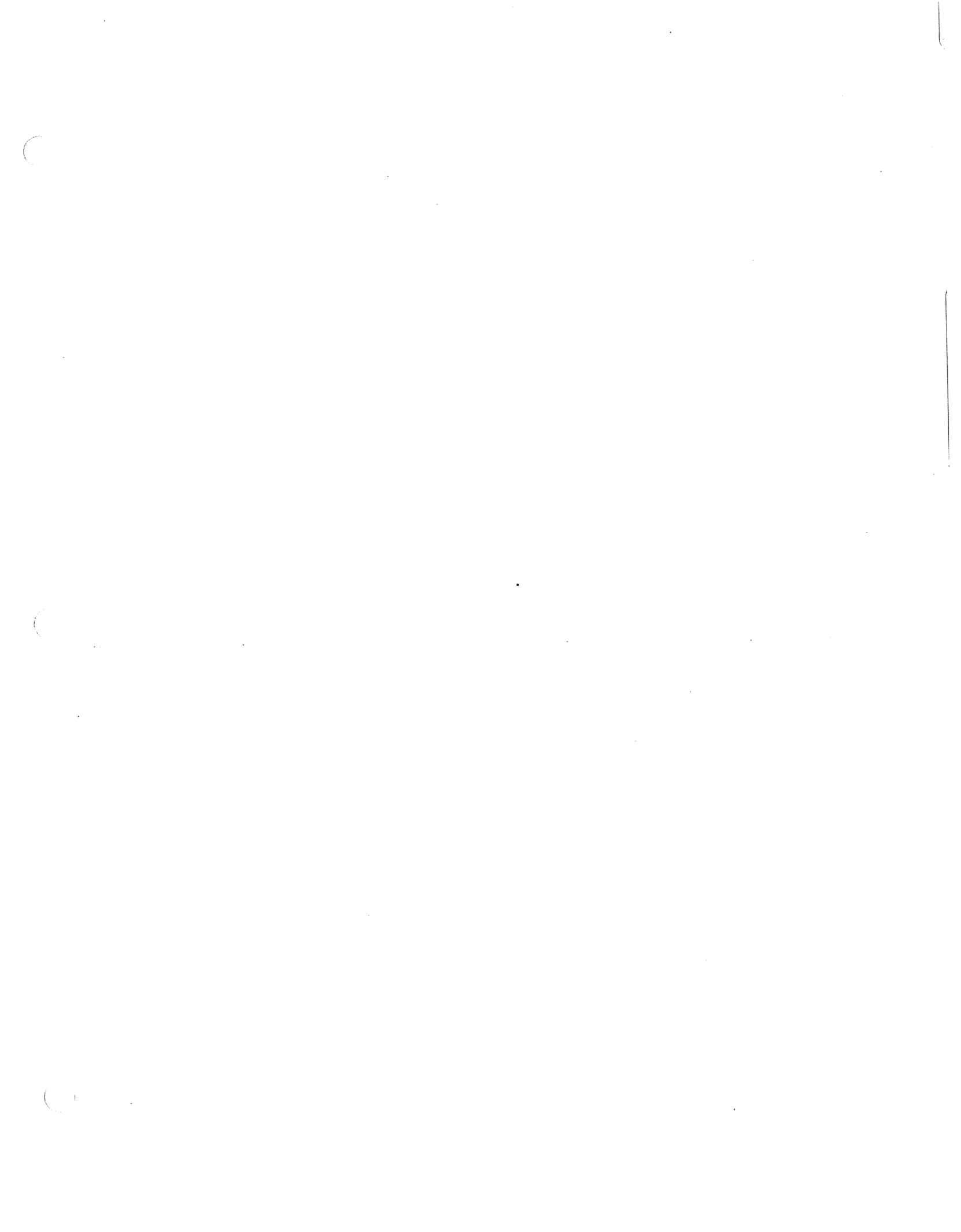
If you need any additional information, please let us know.

Sincerely,

  
Robert C. Carter, Chairman  
Hopkinsville Water Environment Authority

Enclosures

cc: Christian County Water District



FOR Hopkinsville, KY  
Community, Town or City

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

1<sup>st</sup> Revised SHEET NO. 1

**Hopkinsville Water Environment Authority**  
(Name of Utility)

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

Original SHEET NO. 1

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RATES & CHARGES

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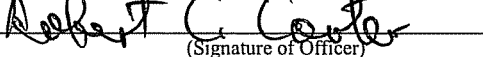
**Monthly Wholesale Water Rate**

	<b>Rate per 100 cubic feet</b>	<b>Equivalent Rate per 1,000 Gallons</b>
First 3,000 cubic feet	\$ 2.96	\$ 3.96
Next 3,000 cubic feet	\$ 2.59	\$ 3.47
Over 6,000 cubic feet	\$ 1.88	\$ 2.52

---

DATE OF ISSUE September 1, 2009  
Month / Date / Year

DATE EFFECTIVE October 5, 2009  
Month / Date / Year

ISSUED BY   
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. N/A DATED N/A



# NOTICE

Notice is hereby given that on or about September 3, 2009, Hopkinsville Water Environment Authority ("HWEA") will file a proposed rate schedule with the Public Service Commission ("PSC") which will increase by thirty-seven percent (37%) the rates it currently charges to Christian County Water District ("CCWD") for wholesale water service. HWEA proposes to charge the proposed rates for wholesale water service effective on and after October 5, 2009. The current rates, proposed rates and the percentage increase for each usage block are as follows:

## RATES PER 100 CUBIC FEET

<b>Usage</b>	<b>Current Rates</b>	<b>Proposed Rates</b>	<b>% Increase</b>
First 3,000 cubic feet	\$ 2.16	\$ 2.96	37%
Next 3,000 cubic feet	\$ 1.89	\$ 2.59	37%
Over 6,000 cubic feet	\$ 1.37	\$ 1.88	37%

## EQUIVALENT RATES PER 1,000 GALLONS

<b>Usage</b>	<b>Current Rates</b>	<b>Proposed Rates</b>	<b>% Increase</b>
First 3,000 cubic feet	\$ 2.89	\$ 3.96	37%
Next 3,000 cubic feet	\$ 2.53	\$ 3.47	37%
Over 6,000 cubic feet	\$ 1.83	\$ 2.52	37%

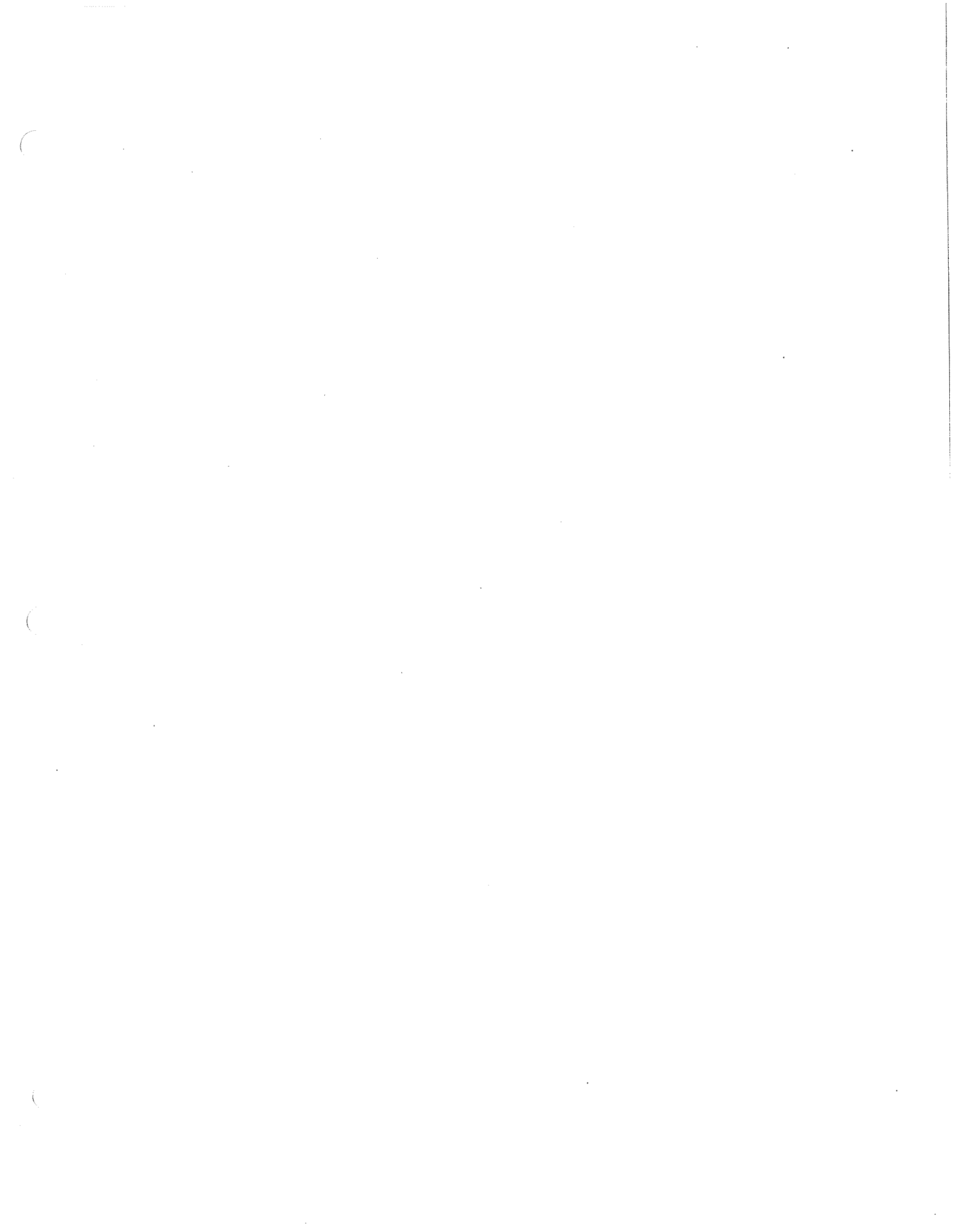
The rates contained in this Notice are the rates proposed by HWEA. However, the PSC may order rates to be charged that differ from the proposed rates contained in this Notice.

## NOTICE OF RIGHT TO INTERVENE

CCWD and any corporation, association, or person with a substantial interest in this matter may, within thirty (30) days after receipt of this Notice, file a written request to intervene. Intervention may be granted beyond the thirty (30) day period for good cause shown. Any motion by CCWD or any other person desiring to intervene shall be submitted to the Public Service Commission, 211 Sower Blvd., PO Box 615, Frankfort, Kentucky 40602; Attn: Jeff Derouen, Executive Director (telephone 502-564-3940), and shall set forth the grounds for the request, including the status and interest of the party intervening.

Any person may examine and obtain copies of HWEA's application and other filings at HWEA's office located at 401 E. Ninth Street, Hopkinsville, Kentucky (contact Derrick W. Watson at 270-887-4237) or at the PSC's offices at 211 Sower Boulevard, Frankfort, Kentucky (telephone 502-564-3940). The proposed rate schedule may also be viewed at the Public Service Commission's website at <http://psc.ky.gov/trf/trfmain.aspx>.

HOPKINSVILLE WATER ENVIRONMENT AUTHORITY  
PO BOX 628  
401 E. NINTH STREET  
HOPKINSVILLE, KENTUCKY 42241  
ATTN: DERRICK W. WATSON  
TEL: 270-887-4237



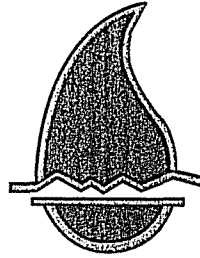


# Hopkinsville Water Environment Authority

401 East 9th Street • P.O. Box 628 • Hopkinsville, Kentucky 42241-0628

Len F. Hale  
General Manager

Phone (270) 887-4246  
Fax (270) 887-4244



September 1, 2009

## ***HAND DELIVERED***

Mr. Ashbel Brunson, III, Chairman  
Christian County Water District  
PO Box 7  
Hopkinsville, KY 42241-0007

RE: Wholesale Rate Increase

Dear Chairman Brunson:

As you know, on August 20, 2009 the Hopkinsville City Council enacted Ordinance 15-2009. This Ordinance increases water rates for all HWEA customers: retail, commercial, industrial and wholesale. The new water rates will become effective for all HWEA customers, except Christian County Water District ("CCWD"), on September 1, 2009. The new rate for CCWD will become effective as soon as it is approved by the Kentucky Public Service Commission ("PSC").


Enclosed are the following documents:

1. PSC Tariff Sheet showing the current rates, the proposed rates and the percentage increase; and
2. Notice that HWEA has filed the attached Tariff Sheet with the PSC and that CCWD has 30 days to file a written objection with the PSC or to request to intervene in this matter.

The rate increase is a result of increased operating expenses and additional debt service expenses associated with recent improvements to HWEA's water system. The proposed CCWD wholesale rate represents a 37% increase for all usage blocks. All water used by CCWD over 6,000 cubic feet will be billed at a rate of \$1.88 per 100 cubic feet. This is an increase of \$0.51 per 100 cubic feet. In contrast, large industrial retail customers of HWEA will experience a much larger increase -- approximately 92% (from \$1.54 to \$2.95 per 100 cubic feet). This is an increase of \$1.41 per 100 cubic feet for all water usage over 6,000 cubic feet.

HWEA has made every effort to explain to CCWD, to the Hopkinsville City Council and to the public that the rate increase is necessary to enable HWEA to provide its customers, including CCWD, with safe, dependable and adequate water service. HWEA regrets that, to date, it has been unsuccessful in convincing CCWD that the proposed wholesale rates are fair, just and reasonable rates. Therefore, HWEA has no option except to seek PSC approval of the proposed wholesale rates for CCWD.

Sincerely,

  
\_\_\_\_\_  
Robert C. Carter, Chairman  
Hopkinsville Water Environment Authority



ORDINANCE 15-2009

AMENDING SECTIONS IN CHAPTERS 51 (SEWERAGE & WATER), 52 (WASTE WATER COLLECTION AND TREATMENT), AND 53 (SEWER AND WATER SERVICE RATES AND USER FEES) OF THE HOPKINSVILLE CODE OF ORDINANCES PERTAINING TO HOPKINSVILLE WATER ENVIRONMENT AUTHORITY

WHEREAS, this item was recommended by the Committee of the Whole at the July 23, 2009 meeting.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOPKINSVILLE, KENTUCKY AS FOLLOWS:

SECTION ONE

That Section 51.41 of the Hopkinsville Code of Ordinances is hereby amended to read as follows:

§ 51.41 POWERS AND DUTIES

The Sewerage and Water Works Commission, on behalf of the city, shall have exclusive supervision, management, and control of the business and affairs of the entire sewerage, and water works, and any municipal natural gas utility, including the Pembroke Utility Division and the Crofton Utility Division, both in its fiscal affairs and in the maintenance, operation, and extension thereof, including maintenance of the funds for redemption of bonds, operation and depreciation created by presently existing bond authorization ordinances, disbursements therefrom, the employment and the discharge of servants and agents and the fixing of their compensation. However, the Commission shall have no power to borrow money or to enter into contracts for the expenditure of funds other than those derived from the operation of the sewerage and water works system without specific approval of the City Council by properly recorded resolution.

SECTION TWO

That Section 52.061(B) (20) and (21) are amended to read as follows:

§ 52.061(B) RESTRICTED DISCHARGES.

(20) Any additional regulations as established by the Sewerage and Water Works Commission pursuant to Section 53.02 of the Hopkinsville Code of Ordinances.

~~(20) Any water or waste which has characteristics based on a 24-hour composite sample, or a shorter period composite sample if more representative which exceed the following normal maximum domestic waste water parameter concentrations:~~

Parameter	Maximum Allowable Concentration Without Surcharge
-----------	---

BOD	350 mg/l
TSS	350 mg/l
NH3-N	20 mg/l

(21) In addition to the requirements stated above, the following limitations are established for characteristics of any waste waters to be discharged into the municipal sewer system:

Parameter	Maximum Daily Concentration
Arsenic, total	0.31 mg/l
Barium, total	3.80 mg/l
Boron, total	1.00 mg/l
Cadmium, total	0.30 mg/l
Chlorides	800.00 mg/l
Chromium, hexavalent	0.5 mg/l
Chromium, total	2.50 mg/l
Copper, total	0.53 mg/l
Cyanide, total	0.10 mg/l
Iron, total	3.00 mg/l
Lead, total	0.14 mg/l
Magnesium, total	50.00 mg/l
Manganese, total	3.40 mg/l
Mercury, total	0.002 mg/l
Nickel, total	0.425 mg/l
Phenols	5.00 mg/l
Selenium, total	0.01 mg/l
Silver, total	0.10 mg/l
Sulfate, total	350.00 mg/l
Sulfide	50.00 mg/l
Zinc, total	0.64 mg/l

**SECTION THREE**

That Section 53.18 (A-C) of the Hopkinsville Code of Ordinances is amended to read as follows:

**§ 53.18 RATES AND CHARGES.**

(A) The following schedule of rates shall apply to each Hopkinsville Division user of the waste water treatment works. ~~This schedule includes rates for user charges and rates for debt service charges, each based on the volume of metered or estimated water consumption.~~

Hopkinsville Division Waste Water Services Monthly Rate Schedule		
<u>1</u>	<u>Water Consumption</u>	
<u>2</u>	<u>Flat Rate, Per 100 cubic feet</u>	<u>\$2.99</u>
<u>3</u>	<u>Minimum bill 300 cubic feet or less</u>	<u>\$8.97</u>

Hopkinsville Division Waste Water Services Monthly Rate Schedule				
<u>1</u>	<u>Water Consumption per Month</u>	<u>User Charge</u>	<u>Debt Service</u>	<u>Combined</u>
<u>2</u>	<u>Minimum bill 300 cubic feet or less</u>	<u>\$4.68</u>	<u>\$3.84</u>	<u>\$8.52</u>
<u>3</u>	<u>Next 2,700 cu. ft.</u>	<u>\$1.65</u>	<u>\$1.19</u>	<u>\$2.84</u>
<u>4</u>	<u>Next 3,000 cubic feet</u>	<u>\$1.65</u>	<u>\$0.77</u>	<u>\$2.42</u>
<u>5</u>	<u>Over 6,000 cubic feet</u>	<u>\$1.64</u>	<u>\$0.34</u>	<u>\$1.98</u>

(B) The following schedule of rates shall apply to each Pembroke Division user of the waste water treatment works. This schedule includes rates based on the volume of metered or estimated water consumption.

Pembroke Division Waste Water Services Monthly Rate Schedule		
<u>1</u>	<u>Water Consumption Per Month</u>	
<u>2</u>	<u>Flat Rate Per, 100 cubic feet</u>	<u>\$3.59</u>
<u>3</u>	<u>Minimum Bill, 300 cubic feet or less</u>	<u>\$12.24</u>

Pembroke Division Waste Water Services Monthly Rate Schedule		
1	Water Consumption Per Month	Monthly Charge per 100 cubic feet
2	First 300 cubic feet	\$11.23
3	Next 1,700 cubic feet	\$2.79
4	Next 2,000 cubic feet	\$2.66
5	Next 3,000 cubic feet	\$2.46
6	Next 3,000 cubic feet	\$2.24
7	All over 10,000 cubic feet	\$1.88

(C) The following schedule of rates shall apply to each Crofton Utility Division user of the waste water treatment works. This schedule includes rates based on the volume of metered or estimated water consumption.

Crofton Utility Division Waste Water Services Monthly Rate Schedule	
Water Consumption per Month	Monthly Charge per 100 Cubic Feet
Minimum bill 150 cubic feet or less	<del>\$11.57</del> <u>\$12.50</u>
All over 150 cubic feet	<del>\$3.30</del> <u>\$3.60</u>

#### SECTION FOUR

That Section 53.35 of the Hopkinsville Code of Ordinances is amended to read as follows:

#### § 53.35 MONTHLY WATER RATES.

The monthly rates and charges for water service furnished by the system are fixed and established on a monthly basis as follows:

(A) Meter minimum rate.

		Rates
1	Monthly minimum for 5/8-inch meter	\$8.85 per 300 cubic feet
2	Monthly minimum for 3/4-inch meter	\$18.00 per 610 cubic feet
3	Monthly minimum for 1-inch meter	\$25.37 per 860 cubic feet
4	Monthly minimum for 1-1/2-inch meter	\$45.73 per 1,550 cubic feet
5	Monthly minimum for 2-inch meter	\$76.11 per 2,580 cubic feet
6	Monthly minimum for 3-inch meter	\$160.19 per 5,430 cubic feet

<u>7</u>	Monthly minimum for 4-inch meter	\$252.23 per 8,550 cubic feet
<u>8</u>	Monthly minimum for 6-inch meter	\$843.70 per 28,600 cubic feet

		Rates
4	Monthly minimum for 5/8-inch meter	\$7.41 per 300 cubic feet
2	Monthly minimum for 3/4-inch meter	\$13.09 per 530 cubic feet
3	Monthly minimum for 1-inch meter	\$18.53 per 750 cubic feet
4	Monthly minimum for 1 1/2-inch meter	\$33.35 per 1,350 cubic feet
5	Monthly minimum for 2-inch meter	\$55.58 per 2,250 cubic feet
6	Monthly minimum for 3-inch meter	\$116.70 per 5,000 cubic feet
7	Monthly minimum for 4-inch meter	\$184.20 per 9,000 cubic feet
8	Monthly minimum for 6-inch meter	\$615.40 per 37,000 cubic feet

(B) Water consumption rates for Hopkinsville Division water usage. Subject to the minimum monthly water rate specified above, the following metered charges shall be made for each 100 cubic feet of water consumption per month to customers of all size connections to the Hopkinsville Division:

<u>1</u>	Number of Cubic Feet of Water Per Month	
<u>2</u>	Flat Rate, Per 100 cubic feet	\$2.95

1	Number of Cubic Feet of Water Per Month	Monthly Charge Per 100 Cubic Feet
2	First 3,000 cubic feet	\$2.47
3	Next 3,000 cubic feet	\$2.13
4	All over 6,000 cubic feet	\$1.54

(C) Wholesale water rates. The wholesale rates for water supplied for resale shall be as follows:

<u>1</u>	Number of Cubic Feet of Water Per Month	Monthly Charge Per 100 Cubic Feet
<u>2</u>	First 3,000 cubic feet	\$2.96
<u>3</u>	Next 3,000 cubic feet	\$2.59
<u>4</u>	Next 3,000 cubic feet	\$1.88



1	Number of Cubic Feet of Water Per Month	Monthly Charge Per 100 Cubic Feet
2	First 3,000 cubic feet	\$2.81
3	Next 3,000 cubic feet	\$2.46
4	Next 3,000 cubic feet	\$1.78
5	All over 9,000 cubic feet	\$1.98

(D) Water consumption rates for Pembroke Division usage.

Meter Minimum Rate

1	Monthly minimum for 5/8-inch meter	\$10.56 per 300 cubic feet
2	Monthly minimum for 3/4-inch meter	\$21.47 per 610 cubic feet
3	Monthly minimum for 1-inch meter	\$30.27 per 860 cubic feet
4	Monthly minimum for 1-1/2-inch meter	\$54.56 per 1,550 cubic feet
5	Monthly minimum for 2-inch meter	\$90.82 per 2,580 cubic feet
6	Monthly minimum for 3-inch meter	\$191.14 per 5,430 cubic feet
7	Monthly minimum for 4-inch meter	\$300.96 per 8,550 cubic feet
8	Monthly minimum for 6-inch meter	\$1,006.72 per 28,600 cubic feet

Subject to the minimum monthly water rate specified above, the following metered charges shall be made for each 100 cubic feet of water consumption per month to customers of all size connections to the Pembroke Utility Division.

1	Number of Cubic Feet of Water Per Month	
2	Flat Rate, Per 100 cubic feet	\$3.52

Pembroke Division Water Services Monthly Rate Schedule		
1	Number of Cubic Feet of Water per Month	Monthly Charge per Cubic Feet
2	First 300 cubic feet	\$9.45
3	Next 1,700 cubic feet	\$2.14
4	Next 2,000 cubic feet	\$2.50
5	Next 3,000 cubic feet	\$1.95
6	Next 3,000 cubic feet	\$1.59
7	All over 10,000 cubic feet	\$1.37

(E) Water consumption rates for Crofton Utility Division usage. The following schedule of rates shall be made for each 100 cubic feet of water consumption per month to customers of all size connections to the Crofton Utility Division.

Crofton Utility Division Water Services Monthly Rate Schedule	
Inside Crofton City Limits	
First 300 cubic feet	\$11.94 <u>\$16.32 flat rate</u>
All over 300 cubic feet	\$2.50 <u>\$3.35 per 100 cubic feet</u>

(F) Surcharge. Crofton Utility Division customers served by the Lewis Hill Booster Station shall be charged a surcharge of \$0.01350 per cubic foot of water usage per month until the cost of the installation of the pump station plus interest has been paid.

### SECTION FIVE

That section 53.36 of the Hopkinsville Code of Ordinances is amended to read as follows:

#### § 53.36 FIRE SERVICE CONNECTION FEES

Private fire protection (not metered). The rates or charges for fire protection afforded by private hydrants which are not metered shall be based on the respective sizes of the connections of such private fire hydrants, as follows:

1	Size of Fire Hydrant Connection	Annual Charge (Apart From Metered Rates)	
2	2-inch	<del>\$46.89</del>	<u>\$65.00</u>
3	3-inch	<del>\$46.89</del>	<u>\$65.00</u>
4	4-inch	<del>\$99.92</del>	<u>\$140.00</u>
5	6-inch	<del>\$290.24</del>	<u>\$400.00</u>
6	8-inch	<del>\$618.54</del>	<u>\$850.00</u>
7	10-inch	<del>\$1,142.29</del>	<u>\$1,525.00</u>
8	12-inch	<del>\$1,796.66</del>	<u>\$2,475.00</u>

### SECTION SIX

If any section, subsection, sentence, clause, or phrase of this ordinance is held unconstitutional or otherwise invalid, such infirmity shall not affect the validity of the remaining portions of this ordinance.

**SECTION SEVEN**

All ordinances or parts of ordinances inconsistent with this ordinance are hereby repealed.

**SECTION EIGHT**

This ordinance shall take effect September 1, 2009 after its passage and publication according to law.

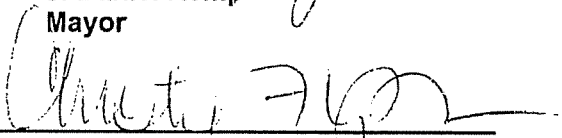
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**ORDINANCE 15-2009  
HWEA Rates**

PUBLICLY READ AND PASSED FIRST TIME: Aug 18, 2009

PUBLICLY READ AND PASSED SECOND TIME: Aug 20, 2009

APPROVED:   
J. Daniel Kemp  
Mayor

ATTEST:   
Christine F. Upton, MMC  
City Clerk

