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DAMON R. TALLEY

ATTORNEY AT LAW

March 28, 2010

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

RECEIVED

MAR 29 2010

PUBLIC SERVICE
COMMISSION

RE: Case No. 2009-00373
Hopkinsville Water Environment Authority

Dear Mr. Derouen:

Enclosed for filing are the original and six (6) copies of Hopkinsville Water Environment Authority's Notice of Filing of Amended Tables to the Cost of Service Study.

Yours truly,

DAMON R. TALLEY, P.S.C.


DAMON R. TALLEY, Counsel For

Hopkinsville Water Environment Authority

DRT:ms

Enclosures

cc: Hon Jack Hughes, Attorney for CCWD
James Owen, General Manager, CCWD
Hopkinsville Water Environment Authority

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

In the Matter of:

MAR 29 2010

PROPOSED ADJUSTMENT OF THE
WHOLESALE SERVICE RATES OF
HOPKINSVILLE WATER ENVIRONMENT
AUTHORITY

) PUBLIC SERVICE
) COMMISSION
) CASE NO.
) 2009-00373
)

NOTICE OF FILING OF AMENDED TABLES

The Applicant, Hopkinsville Water Environment Authority (“HWEA”), hereby gives notice to the Commission and to the Christian County Water District (“CCWD”) that it has attached for filing certain amended Tables to the Cost of Service Study (“COSS”). The COSS was filed with the Commission on March 15, 2010. The amended Tables are described below:

1. The attached “Amended” Table 3-1 (page 3-2 of Section 3 of the COSS) should be inserted into the COSS. Please remove and discard page 3-2 contained in the COSS filed with the Commission on March 15, 2010.
2. The attached “Amended” Tables B-1, B-2 and B-3 (page E8 of Appendix E to the COSS) should be inserted into the COSS. Please remove

and discard page E8 contained in the COSS filed with the Commission on March 15, 2010.

3. The attached “Amended” Table B-4 (page E9 of Appendix E of the COSS) should be inserted into the COSS and substituted for the version of Table B-4 contained in the COSS filed with the Commission on March 15, 2010. Do **not** discard Table B-5 on page E9 of the COSS. Table B-5 (Inch-Miles Table) is correct and should be retained in the COSS.

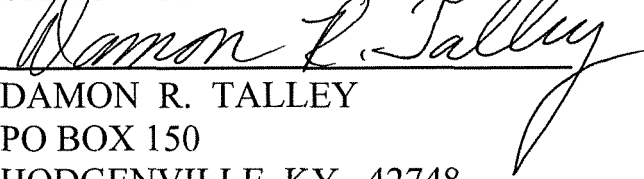
4. These corrections were made necessary because of data entry errors in Tables B-1 and B-3 related to HWEA retail water sales. These data errors impact Tables B-1 through B-4. Since Table 3-1 of Section 3 of the COSS is a summary of Table B-1, Table 3-1 had to be corrected also.

5. Unfortunately, the data entry errors were not discovered until after the COSS was completed and filed with the Commission.

6. The amended Tables did **not** impact the allocation percentages nor the overall rate recommendation contained in the COSS.

This ____ day of March, 2010.

Respectfully submitted,
DAMON R. TALLEY, P.S.C.


DAMON R. TALLEY
PO BOX 150
HODGENVILLE, KY 42748
COUNSEL FOR HWEA

CERTIFICATE OF SERVICE

This is to certify that a true copy of the attached pleading was served by first class U.S. Mail, postage prepaid, this 29th day of March, 2010, to the following:

Hon. Jack N. Hughes
124 W. Todd St.
Frankfort, KY 40601

Mr. James Owen, Gen. Mgr.
Christian Co. Water District
PO Box 7
Hopkinsville, KY 42241-0007

Mr. Len F. Hale, Gen. Mgr.
HWEA
PO Box 628
Hopkinsville, KY 42241-0628

DAMON R. TALLEY, P.S.C.

BY: 

DAMON R. TALLEY

Table 3-1
FY 2009 Water Usage By Classifications
Hopkinsville Water Environment Authority

<i>Usage</i>	<i>FY 2009 Total (1000 GAL)</i>	<i>FY 2009 Average Daily Volume (1000 GAL)</i>	<i>Usage by %</i>
Moss WTP High Service Pumped	2,183,557	5,982	--
HWEA Sales	1,180,614	3,235	54.1%
Flushing/Fire Hydrants	46,729	128	2.1%
HWEA Facilities	52,151	143	2.4%
Pembroke Sales	40,630	111	1.9%
Crofton Sales	45,331	124	2.1%
Wholesale Sales	430,199	1,179	19.7%
FY 2009 Total Accounted For Water	1,795,654	4,920	82.2%
FY 2009 Total Unaccounted Water	387,903	1,063	17.8%

The distribution of costs to customer classes is performed in a manner similar to that done for the base/extra capacity allocation. The key distribution factor is the determination of which customer classification derives the benefit from the expense. This is generally related to volume used by each classification under different conditions. Some of the key allocation methodology for each customer class is detailed below and more detail is available in Schedule B and the support documentation of Appendix E (page E-2).

Retail Customers

In accordance with Table B-2, Schedule E (Page E8), the FY 2009 average retail usage (includes sales to Hopkinsville, Crofton & Pembroke Divisions along with non-sales usage such as flushing, HWEA facilities and unaccounted for water above 15 percent, etc.), is 3,906,370 gallons and the max day is 5,519,000 gallons. It should be noted that the actual max daily sales volumes are unavailable so the surrogate for this value is the 30 (or 31) day average for the maximum month of usage. This allocation is detailed on Table B-2 and B-4 (Pages E8 and E9) of Appendix E and was done for both the retail and wholesale customers.

Wholesale Customers

Sales to CCWD are recorded monthly based on meter readings. The FY 2009 average day usage is 1,178,627 gallons. As described above, the max day value is based on the average daily production in the maximum sales month. In FY 2009, the max day is 1,477,000 gallons (See Tables B-3 and B-4). One additional allocation method of wholesale costs should be noted. The

HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
SUPPORTING TABLES AND DETAILS (AMENDED)

TABLE B-1 (AMENDED)
RETAIL/WHOLESALE SALES, OTHER USAGES & UNACCOUNTED FOR WATER

Month	High Service Pumped (1000 GAL)	HWEA Sales (1000 GAL)	Flushing/ Fire Hydrants (1000 GAL)	HWEA Facilities (1000 GAL)	Pembroke Usage (1000 GAL)	Crofton Usage (1000 GAL)	Wholesale CCWD (1000 GAL)	Total Accounted (1000 GAL)	Total Unaccounted (1000 GAL)
July 08	209,286	118,205	3,500	4,127	2,530	3,659	33,896	165,917	43,369
August	217,028	117,696	3,500	4,464	2,480	4,847	39,946	172,933	44,095
Sept	202,607	115,912	3,500	4,779	3,686	4,156	41,085	173,118	29,489
Oct	188,190	113,412	3,500	4,386	4,746	3,567	40,491	170,102	18,088
Nov	172,402	93,918	3,500	4,569	3,854	3,783	37,688	147,312	25,090
Dec	178,704	84,862	3,500	4,454	4,347	3,250	36,356	136,769	41,935
Jan 09	177,460	94,079	3,500	5,263	4,228	3,270	40,882	151,222	26,238
Feb	154,542	93,304	3,500	5,438	3,620	4,918	38,626	149,406	5,136
March	164,158	84,088	3,500	4,354	2,686	3,220	25,529	123,377	40,781
April	154,024	82,695	5,648	3,608	2,455	3,442	28,694	126,542	27,482
May	175,914	87,370	4,866	3,318	2,784	2,790	32,963	134,091	41,823
June	189,242	95,073	4,715	3,391	3,214	4,429	34,043	144,865	44,377
TOTALS	2,183,557	1,180,614	46,729	52,151	40,630	45,331	430,199	1,795,654	387,903
AVERAGE	5,982	3,235	128	143	111	124	1,179	4,920	1,063
USAGE BY %		54.1%	2.1%	2.4%	1.9%	2.1%	19.7%	82.2%	17.8%

TABLE B-2
ALLOCATION OF AVG WATER USAGE (AMENDED)

Usage Type	FY 2008-09 Data			Modified Meet 15% Lost Water		
	Volume (1000 GAL)	Usage By %	Sales By %	Volume (1000 GAL) ¹	Usage By %	Sales By %
Retail Sales (All Divisions) + Excessive Unaccounted For =	1,266,575	58.0%	74.6%	1,425,825	65.3%	76.82%
Wholesale Sales (CCWD) =	430,199	19.7%	25.4%	430,199	19.7%	23.18%
Non-Sales Usage (Operations/HWEA Facilities) =	98,880	4.5%		-	0.0%	
Unaccounted For Water =	387,903	17.8%		327,533	15.0%	
TOTALS	2,183,557	100.0%	100.0%	2,183,557	100.0%	100.0%

TABLE B-3
MAXIMUM DAY RETAIL SALES (AMENDED)

Month	HWEA Sales (1000 GAL)	Pembroke Usage (1000 GAL)	Crofton Usage (1000 GAL)	Total Retail Sales (1000 GAL)	Max Day Retail Sales (1000 GAL)	CCWD Purchases (1000 GAL)	Max Day Wholesale (1000 GAL)
July 08	118,205	2,530	3,659	124,394	4,013	44,252	1,427
August	117,696	2,480	4,847	125,023	4,033	45,796	1,477
Sept	115,912	3,686	4,156	123,754	4,125	43,528	1,451
Oct	113,412	4,746	3,567	121,725	3,927	41,624	1,343
Nov	93,918	3,854	3,783	101,555	3,385	35,929	1,198
Dec	84,862	4,347	3,250	92,459	2,983	42,094	1,358
Jan 09	94,079	4,228	3,270	101,577	3,277	36,625	1,181
Feb	93,304	3,620	4,918	101,842	3,637	32,175	1,149
March	84,088	2,686	3,220	89,994	2,903	33,338	1,075
April	82,695	2,455	3,442	88,592	2,953	32,435	1,081
May	87,370	2,784	2,790	92,944	2,998	36,834	1,188
June	95,073	3,214	4,429	102,716	3,424	40,315	1,344

TABLE B-4 (AMENDED)
ALLOCATION OF MAXIMUM DAY WATER USAGE

Usage Type	FY 2008-09 Data		<i>Modified Meet 15% Lost Water</i>		
	MaxDay (1000 GAL)	Usage By %	Volume (1000 GAL) ¹	Usage By %	Allocation By %
Retail Sales (HWEA, Pembroke, Crofton Divisions) =	4,125	50.1%	5,519	67.1%	78.89%
Wholesale Sales (CCWD) =	1,477	17.9%	1,477	17.9%	21.11%
Unaccounted For Water =	2,629	31.9%	1,235	15.0%	
TOTALS	8,231	100.0%	8,231	100.0%	100.0%