

JAN 17 2019

PUBLIC SERVICE  
COMMISSION

**Beech Grove Water System, Inc.**

**445 State Route 56 N**

**Calhoun KY 42327**

**270 273-5738**

**[beechgrovewaters@bellsouth.net](mailto:beechgrovewaters@bellsouth.net)**

Gwen R. Pinson  
Executive Director  
Public Service Commission  
PO Box 615  
Frankfort, KY 40602

January 14, 2019

RE; Purchased Water Adjustment Increase  
Wholesale Provider: Henderson Water Utility

Dear Director Pinson:

The Beech Grove Water System, Inc. has received written notice from Henderson Water Utility that they will implement a new rate effective March 2019

Should you need any additional information, please let me know.

Sincerely,



Nathan Ward  
President

Prepared by:



Sheila Murphy

RECEIVED

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PUBLIC SERVICE  
COMMISSION

**Beech Grove Water System  
Purchased Water Adjustment  
2019**

Cover Letter

Page 1 & 2 Purchased Water Adjustment Form

- Exhibit A Henderson Water Utility and West Daviess County Water new water rate.
- Exhibit B Calculation of rate decrease
- Exhibit C Current Rates and Proposed Rates
- Exhibit D Water Board Meeting Minutes
- Exhibit E Certification of Response

**RECEIVED**

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

JAN 17 2019

PUBLIC SERVICE  
COMMISSION

Name of Utility	Beech Grove Water System		
Date	January 4, 2019		
Address	445 State Route 56 N		
City, State, Zip	Calhoun KY	42327	
Telephone Number	270 273-5738		
Email Address	beechgrovewaters@bellsouth.net		

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
City of Henderson	2.6165	2.5031
West Daviess County	2.41	3.10

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	December 2017	through	November 2018
	(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
City of Henderson	88,764,820
West Daviess County Water	4,471,000
<b>TOTAL PURCHASES</b>	93,235,820
4. Total gallons sold for the 12-month period	78,440,504
5. Increased water cost	(\$6980.94)
<p>The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation is attached as Exhibit</p>	
6. Purchased water adjustment factor	-0.08
<p>The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.</p> <p>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.</p>	
7. A schedule listing the current and proposed rates is attached as Exhibit <b>B</b>	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit <b>C</b>	
9. Proposed effective date	March 15, 2019
	
Signature of Utility Officer	
President	
Title	



**Henderson Water Utility**  
WATER • WASTEWATER • STORMWATER

📞 270.826.2421

💻 [www.hkywater.org](http://www.hkywater.org)

📍 111 Fifth Street  
Henderson, KY 42420

## Exhibit A

December 19, 2018

Tommy Conrad  
Beech Grove Water System, Inc.  
445 Highway 56 North  
Calhoun, Kentucky 42327

Dear Mr. Conrad:

In accordance with the contract between the Henderson Water Utility (HWU) and the Beech Grove Water System, the costs of providing water services based on our fiscal year June 30, 2018 audit have been calculated by HWU and examined by our auditors, Riney Hancock CPAs PSC for our South Water System. Enclosed is a copy of the individual calculation and the accountant's report provided by our auditors. The following table summarizes the current versus the new rate:

BEECH GROVE WATER RATE	
Current Rate Per 1,000 Gallons	New Rate Per 1,000 Gallons
\$2.6165	\$2.5031

These revised rates are to go into effect on the billing for March 2019 consumption. We appreciate the opportunity to serve the Beech Grove Water System. If you have questions concerning this letter please contact me.

Sincerely,

Todd Bowley  
Chief Financial Officer



# WEST DAVIESS COUNTY WATER DISTRICT

3400 Bittel Rd.  
Owensboro, KY 42301  
Phone: (270) 685-5594  
Fax: (270) 683-6324

**Exhibit A**

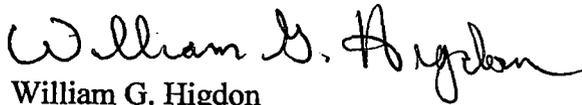
November 21, 2018

TO: All wholesale customers

This is to inform you that the West Daviess County Water District has filed and received approval for a rate increase with the Public Service Commission. As reported to you earlier, this increase is a result of Owensboro Municipal Utilities' rate increase to our wholesale rate. The water rate attributed to your system will increase from \$ 2.41 per 1,000 gallons to \$ 3.10 per 1,000 gallons. This rate will become effective on the bill you will receive the first week of January 2018.

If you have any questions concerning this, please contact our office.

Sincerely,



William G. Higdon  
Manager

# Beech Grove Water District

<u>SUPPLIER</u>	<u>NEW RATE</u> (per 1,000)	<u>OLD RATE</u> (per 1,000)	
West Daviess	\$3.1000	\$2.4100	
Henderson	\$2.5031	\$2.6165	
TWELVE MONTH TEST PERIOD:		<b>April 2002 thru May 2003</b>	
		<u>GALLONS PURCHASED</u> <u>DURING TEST PERIOD</u>	
<u>SUPPLIER</u>			
West Daviess		4,471,000	
Henderson		88,764,820	
TOTAL		93,235,820	
<u>SUPPLIER</u>	<u>COST AT</u> <u>NEW RATE</u>	<u>COST AT</u> <u>OLD RATE</u>	
West Daviess	\$13,860.10	\$10,775.11	
Henderson	\$222,187.22	\$232,253.15	INCREASED
TOTAL	\$236,047.32	\$243,028.26	<u>WATER COST</u> (\$6,980.94)
TOTAL GALLONS SOLD FOR THE TEST PERIOD :		<b>78,440,504</b>	
Increased Water Cost /( total gallons sold / 1,000) = Purchased Water Adjustment Factor			
(\$6,980.94)	/	78,440,504	/1000
			=
			-0.088996631
			ROUNDED
			<b>-0.08</b>



## Exhibit C

### Current Rate

First	2,000 gallons	\$ 16.94	Minimum Bill
Next	98,000 gallons	\$ 5.28	Per 1,000 gallons
All Over	100,000 gallons	\$ 4.38	Per 1,000 gallons
Bulk Loading Station		\$ 2.21	Per 1,000 gallons

### Proposed Rate

First	2,000 gallons	\$ 16.78	Minimum Bill
Next	98,000 gallons	\$ 5.20	Per 1,000 gallons
All Over	100,000 gallons	\$ 4.30	Per 1,000 gallons
Bulk Loading Station		\$ 2.13	Per 1,000 gallons

**BEECH GROVE WATER SYSTEM**

**Meeting**

**January 11, 2018**

Present were President Nathan Ward, Greg Cheatham, Greg Dant, Wally Murphy, Michael Wahl and Sheila Murphy

President Nathan Ward declared that a quorum was present and called the meeting to order.

The minutes & financial report of the Nov, 2018 meeting were reviewed. Motion was made by Wally and seconded by Greg Dant to approve the minutes & financial report as prepared. Motion carried unanimously.

**Old Business**

2019 Henderson water rate decreasing 2.6165 to 2.5031

Wally Murphy term on water board expires April 2019

**New Business**

Greg C made motion to mail customers nomination notifications for one (1) candidates for water board; Greg Dant 2<sup>nd</sup> & motion carried.

Henderson Water increased water rate decrease 2.6165 per thousand to 2.5031 per thousand Motion by Greg C to pass along the rate decrease to our customer. Motion 2<sup>nd</sup> by Wally; Motion carried unanimously.

**ADJOURNMENT**

There being no further business to come before the water board, motion was made by Wally and seconded Greg C to adjourn the meeting. Motion carried unanimously.



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Nathan Ward - President

