

Commissioners:
Robert Tucker, Chairman
Deborah Duncan
Roy McGregor

South Hopkins Water District

Phone 270-797-5760
Fax 270-797-3800
129 S. Main St. P. O. Box 487
Dawson Springs, KY 42408

RECEIVED

JUN 13 2019

PUBLIC SERVICE
COMMISSION

June 11, 2019

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

Ms. Pinson:

Enclosed is a completed Purchased Water Adjustment form. Also enclosed are exhibits A, B, C, D, E, and F. Please contact the office if anything else is needed. Thank you.

Sincerely,



Jon Blalock, Superintendent

Enclosures

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

RECEIVED

JUN 13 2019

PUBLIC SERVICE
COMMISSION

Name of Utility	South Hopkins Water District		
Date			
Address	PO Box 487 129 S. Main Street		
City, State, Zip	Dawson Springs, KY	42408	
Telephone Number	270-797-5760		
Email Address	southhopkinswate@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 Dawson	1.87/thousand	2.16/thousand
	City of Madisonville	4.52/thousand	N/A
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	May 2018	through	April 2019
	(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. See Exhibit B			

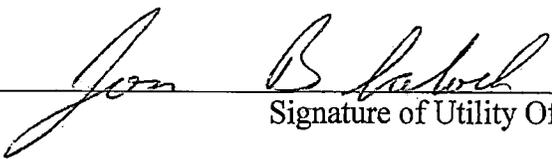
Supplier(s)	Gallons Purchased during 12 month period
City of Dawson Springs	437,307,050
City of Madisonville	5,516,000
TOTAL PURCHASES	442,823,050
4. Total gallons sold for the 12 month period	413,836,970
5. Increased water cost	126,819
<p>The increased water cost is the cost difference between purchases 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 B</p>	
6. Purchased water adjustment factor	.31
<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 C	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit D	
9. Proposed effective date	July 1, 2019
 Signature of Utility Officer	
<i>Superintendent</i> Title	

Exhibit A

CUSTOMER NOTICE

The City of Dawson Springs (“Dawson Springs”) is providing notice that it plans to file with the Public Service Commission, on or before May 31, 2019, to increase its wholesale water rate to the South Hopkins Water District effective for water service on and after July 1, 2019. The proposed rate is as follows:

	Current Rate	Proposed Rate	\$ Difference	% Difference
Volume Charge (per 1,000 gallons)	\$1.87020	\$2.16	\$0.29 increase	15.5% increase

South Hopkins Water District purchased 394,591,000 gallons of water from Dawson Springs during the Test Year (FYE June 30, 2018). Its average monthly purchases were 32,882,583 gallons. Under the current rate, South Hopkins Water District’s average monthly bill is \$61,490. Under the proposed rate, South Hopkins Water District’s average monthly bill will be \$71,026. This is an increase of \$9,536 per month or 15.5%.

Water flowing through the meters before the effective date will be charged at the current rate while water flowing through the meters on and after the effective date will be charged at the new rate.

This filing may be examined at the office of Dawson Springs located at 200 West Arcadia Avenue, Dawson Springs, Kentucky 42408. Please contact Jahn Smiley, at (270) 797-2844 regarding any questions related to the proposed rate.

The filing may also be examined at the offices of the Public Service Commission located at 211 Sower Boulevard in Frankfort, Kentucky, Monday – Friday from 8:00 am – 4:30 pm or on the Commission website at <http://psc.ky.gov>.

Comments regarding this filing may be submitted by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602; or through its website at <http://psc.ky.gov>.

The new rate is the rate proposed by Dawson Springs in its filing, but the Public Service Commission may order rates that differ from the proposed rate contained in this Customer Notice.

Intervention by South Hopkins Water District or another person with a substantial interest may be requested by submitting a timely written request for intervention by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602. The request for intervention must establish the grounds for the request including the status and interest of the party.

If the Public Service Commission does not receive a written request prior to the effective date of the proposed rate, the Public Service Commission may take final action on the proposed rate.

Exhibit B

Computation of Purchased Water Adjustment Factor

	<u>New Rate</u>	<u>Base Rate</u>
City of Dawson Springs		
Purchase in gallons	437,307,050	437,307,050
Volumetric Rate	2.16	1.87
Totals	\$ 944,583	\$ 817,764
Increased Water Cost	\$ 126,819	
City of Madisonville		
Purchase in gallons	5,516,000	5,516,000
Volumetric Rate	no change	no change
Increased Water Cost	\$ 126,819	
Divided by gals. sold/1,000	413,836.9	
Purchased Water Adj. Factor	\$ 0.306	

or \$.31 per 1,000 Gallons

Exhibit C

Current and Proposed Rates

<u>Current Rates</u>		
<u>Minimum Bills Based on Meter Size</u>		
Meter Size	Gals. Incl'd. in Minimum	Minimum Monthly Bill
5/8x3/4 inch	1,000	\$ 12.33
1 inch	10,000	71.64
2 inch	20,000	132.84
3 inch	50,000	302.64
<u>Rates for Water Usage in Addition to Minimum</u>		
No. of Gallons per Month	Charge per 1,000 gals.	
First 1,000 Gallons (lump sum)	\$	12.33
Next 9,000 Gallons		6.59
Next 10,000 Gallons		6.12
Next 30,000 Gallons		5.66
Over 50,000 Gallons		4.79
<u>WHOLESALE CUSTOMERS</u>		
All Customers	\$	2.71

<u>Proposed Rates</u>		
<u>Minimum Bills Based on Meter Size</u>		
Meter Size	Gals. Incl'd. in Minimum	Minimum Monthly Bill
5/8x3/4 inch	1,000	\$ 12.64
1 inch	10,000	74.74
2 inch	20,000	139.04
3 inch	50,000	318.14
<u>Rates for Water Usage in Addition to Minimum</u>		
No. of Gallons per Month	Charge per 1,000 gals.	
First 1,000 Gallons (lump sum)	\$	12.64
Next 9,000 Gallons		6.90
Next 10,000 Gallons		6.43
Next 30,000 Gallons		5.97
Over 50,000 Gallons		5.10
<u>WHOLESALE CUSTOMERS</u>		
All Customers	\$	3.02

Exhibit D

RESOLUTION NO. 2019-06-01

RESOLUTION OF SOUTH HOPKINS WATER DISTRICT APPROVING THE WATER PURCHASE AGREEMENT BETWEEN THE CITY OF DAWSON SPRINGS, KENTUCKY, AS SELLER, AND SOUTH HOPKINS WATER DISTRICT, AS PURCHASER, AND AUTHORIZING THE CHAIRMAN TO EXECUTE SAID AGREEMENT

WHEREAS, the South Hopkins Water District has been purchasing potable water from the City of Dawson Springs pursuant to the provisions of a Water Purchase Contract dated March 2, 1978 (the "Existing Contract");

WHEREAS, the Existing Contract has been amended or modified on numerous occasions; and

WHEREAS, the Parties wish to supersede the Existing Contract, and all amendments or modifications thereto, with a new Water Purchase Agreement.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF SOUTH HOPKINS WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. The Water Purchase Agreement (the “Agreement”), in the form submitted to the Board of Commissioners, is hereby approved and the Chairman of South Hopkins Water District is hereby authorized and directed to execute the Agreement for and on behalf of South Hopkins Water District.

Section 3. The Chairman is hereby authorized and directed to take any and all actions and to execute and deliver all documents as may be reasonably necessary to obtain approval of the Agreement by the Kentucky Public Service Commission and to implement the provisions of the Agreement.

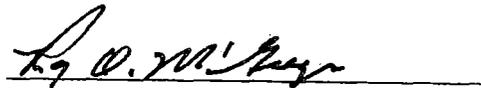
Section 4. This Resolution shall take effect upon its adoption.

ADOPTED BY THE BOARD OF COMMISSIONERS OF SOUTH HOPKINS WATER DISTRICT at a meeting held on June 11, 2019, signed by the Chairman, and attested by the Secretary.

SOUTH HOPKINS WATER DISTRICT

BY: 
Robert J. Tucker, Chairman

ATTEST:


Roy McGregor, Secretary

CERTIFICATION

I, Roy McGregor, Secretary of South Hopkins Water District do hereby certify that I have the care, custody and control of the official records of said Water District; that the above and foregoing Resolution is a true and correct copy of the Resolution which was adopted by the Board of Commissioners of South Hopkins Water District on June 11, 2019 at a regular meeting; that said Resolution has been duly recorded in the minute book of South Hopkins Water District; and that said Resolution is now in full force and effect.

This 11th day of June, 2019.

SOUTH HOPKINS WATER DISTRICT

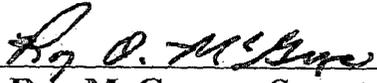
BY: 
Roy McGregor, Secretary

Exhibit E

CUSTOMER NOTICE

Notice is hereby given that the South Hopkins Water District ("District") has filed an application with the Kentucky Public Service Commission seeking approval of a proposed adjustment to its water rates. This water rate adjustment is necessary because of an increase in the cost of water the District purchases for distribution to its customers.

MONTHLY WATER RATES

<u>Meter Size</u>	<u>Minimum Bills Based on Meter Size</u>				
	<u>Gals. Incl'd.</u>	<u>Minimum Bills</u>		<u>Dollar</u>	<u>Percent</u>
	<u>in Minimum</u>	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>	<u>Increase</u>
5/8 x 3/4 inch	1,000	\$12.33	\$12.64	\$0.31	2.5%
1 inch	10,000	71.64	74.74	3.10	4.3%
2 inch	20,000	132.84	139.04	6.20	4.7%
3 inch	50,000	302.64	318.14	15.50	5.1%

<u>No. of Gallons per Month:</u>	<u>Rates for Water Usage in Addition to Minimum</u>				
	<u>Charge per 1,000 Gals.</u>		<u>Dollar</u>	<u>Percent</u>	
	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>	<u>Increase</u>	
First 1,000 Gallons	\$12.33	\$12.64	\$0.31	2.5%	
Next 9,000 Gallons	6.59	6.90	0.31	4.7%	
Next 10,000 Gallons	6.12	6.43	0.31	5.1%	
Next 30,000 Gallons	5.66	5.97	0.31	5.5%	
Over 50,000 Gallons	4.79	5.10	0.31	6.5%	

WHOLESALE CUSTOMERS

All Customers	\$2.71	\$3.02	\$0.31	11.4%
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If the Public Service Commission approves the proposed rates, then the monthly bill for a residential customer using an average of 4,000 gallons per month will increase from \$32.10 to \$33.34. This is an increase of \$1.24 or 3.9%. The proposed rates are scheduled to go into effect for water purchased on or after July 1, 2019.

The rates contained in this notice are the rates proposed by the District. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates shown in this notice.

South Hopkins Water District has available for inspection at its office the application which it submitted to the Public Service Commission. A person may examine this application at South Hopkins Water District's office located at 129 South Main Street, Dawson Springs, KY 42408. You may contact the office at 270-797-5760.

A person may also examine the application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's website at <http://psc.ky.gov>.

Exhibit F

FOR Dawson Springs, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

13th Revised SHEET NO. 3

South Hopkins Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. 2018-00387

12th Revised SHEET NO. 3

RATES AND CHARGES

A. MONTHLY RATES:

5/8-Inch x 3/4-Inch Meter:

First	1,000 gallons	\$ 12.64 (Minimum Bill)	(I)
Next	9,000 gallons	6.90 per 1000 gallons	(I)
Next	10,000 gallons	6.43 per 1000 gallons	(I)
Next	30,000 gallons	5.97 per 1000 gallons	(I)
All Over	50,000 gallons	5.10 per 1000 gallons	(I)

1-Inch Meter:

First	10,000 gallons	\$ 74.74 (Minimum Bill)	(I)
Next	10,000 gallons	6.43 per 1000 gallons	(I)
Next	30,000 gallons	5.97 per 1000 gallons	(I)
All Over	50,000 gallons	5.10 per 1000 gallons	(I)

2-Inch Meter:

First	20,000 gallons	\$139.04 (Minimum Bill)	(I)
Next	30,000 gallons	5.97 per 1000 gallons	(I)
All Over	50,000 gallons	5.10 per 1000 gallons	(I)

3-Inch Meter:

First	50,000 gallons	\$ 318.14 (Minimum Bill)	(I)
All Over	50,000 gallons	5.10 per 1000 gallons	(I)

DATE OF ISSUE June 11, 2019
Month / Date / Year

DATE EFFECTIVE July 1, 2019
Month / Date / Year

ISSUED BY /s/Roy O. McGregor
(Signature of Officer)

TITLE Vice-Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. DATE _____