

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF THE SOUTH HOPKINS WATER DISTRICT FOR THE APPROVAL OF THE PROPOSED INCREASE IN RATES FOR WATER SERVICE

)
) CASE NO.
) 2010-00074
)

STATEMENT AND NOTICE

The South Hopkins Water District ("South Hopkins "), by counsel, pursuant to KRS 278.020, KRS 278.180, KRS 278.190, and KRS 278.300, petitions the Commission for the approval of the proposed increase in the rates and charges. In support of its application, South Hopkins respectfully states as follows:

1. South Hopkins is a non-profit water district organized under KRS Chapter 74 and has no separate articles of incorporation or by-laws. South Hopkins' principal office and mailing address is 129 South Main Street, Dawson Springs, Kentucky 42408.

2. South Hopkins is engaged in the distribution and sale of water. As reported in its "Annual Report to the Public Service Commission for the Year Ending December 31, 2008," South Hopkins provides water service to approximately 2,894 residential customers, 108 commercial customers, 3 industrial customers and 20 Public Authorities in Caldwell , Christian, and Hopkins Counties in Kentucky.

3. The proposed increase in the rates and charges is necessary for South Hopkins to meet continuing demand for adequate service. It has been approximately sixteen years since South Hopkins last requested a general increase in its base rates.

An increase in its rates is essential for South Hopkins to maintain a reasonable level of service, to meet the expanding needs of its service area and to cover its debt service.

4. As authorized by KRS 278.192(1), and for the purpose of justifying the reasonableness of the proposed general increase in rates, South Hopkins has utilized an historical test period consisting of the twelve (12) consecutive calendar months ending December 31, 2008.

5. South Hopkins' annual reports, including the annual report for 2008, are on file with the Public Service Commission as required by 807 KAR 5:006, Section 3(1).

6. South Hopkins hereby gives notice to the Public Service Commission of the adjustment of its rates to those rates set forth in Exhibit No. 1 in the filing requirements. The proposed rates will result in an increase in annual operating revenues from water sales of \$137,188, an increase of approximately 11.83 percent over normalized revenues from water sales of \$1,159,614. The proposed increase is across the board increase and will be equally allocated to all customer classes.

7. The proposed tariffs (Exhibit No. 1) are shown in comparative form on the same sheets, side by side, and those comparative sheets are identified as Exhibit No. 2 in the filing requirements.

8. South Hopkins has complied with 807 KAR 5:011, Section 9, (2) and 807 KAR 5:001, Section 10, (3) and (4), by delivering to newspapers of general circulation in its service area a copy of the Notice identified as Exhibit No. 9 in the filing requirements, for publishing once a week for three consecutive weeks in a prominent manner, the first of said publications has been made within (7) days of the date the Application is filed with the Commission.

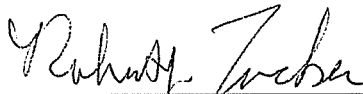
9. As required by 807 KAR 5:001, Section 10, (4), (f), South Hopkins will post a copy of its Customer Notices (Exhibit No. 13) at its place of business on the date the Application is filed with the Commission, and it will remain posted until the Public Service Commission has determined South Hopkins 's rates.

10. The lists of the documents filed in support of South Hopkins' application for approval of the proposed adjustment of rates or the explanations for their absence is contained in the Filing Requirement Index.

WHEREFORE, the Applicant, South Hopkins Water District requests the Public Service Commission of Kentucky to find that the proposed rates are fair, just, and reasonable pursuant to KRS 278.030(1).

Dated at Dawson Springs, Kentucky this February 10, 2010

Respectfully submitted,
SOUTH HOPKINS WATER DISTRICT



Robert Tucker, Chairman

Prepared by:
HOPKINS COUNTY ATTORNEY



J. Todd P'Pool
25 East Center Street
Madisonville, KY 42431

	January	February	March	April	May	June	July	August	September	October	November	December	2008 YTD
Water Sales	78,139.95	89,479.99	88,852.39	77,266.69	89,369.67	87,470.96	100,702.64	94,647.25	114,944.19	105,933.53	79,264.74	89,427.73	1,095,491
Penalties	1,420.86	1,751.51	1,646.54	1,747.18	1,417.08	1,301.43	2,510.48	2,326.20	1,876.27	2,025.39	681.03	2,296.03	21,000
Svc Chg & Tap Fees	3,125.00	2,660.00	4,150.00	2,700.00	3,200.00	3,545.00	3,875.00	3,025.00	2,900.00	6,375.00	850.00	2,525.00	38,930
Miscellaneous	785.17	1,880.62	11,211.36	1,964.74	1,672.21	1,460.18	1,651.19	6,928.74	2,023.33	5,137.42	2,341.54	3,550.94	40,600
Total Income	83,470.98	95,772.12	105,860.29	83,678.61	95,658.96	93,777.57	108,739.31	106,927.19	121,743.79	119,471.34	83,137.31	97,799.70	1,196,030
Water Purchased	33,552.94	39,398.23	36,502.01	32,857.50	37,985.69	33,813.43	42,057.09	80,116.01	42,686.39	42,452.23	42,452.74	35,215.87	499,090
Power & Utilities	3,920.86	3,297.12	3,127.99	3,042.92	2,596.43	2,930.82	2,849.97	2,869.24	3,287.15	3,061.53	2,492.85	3,220.01	36,690
Insurance	0.00	0.00	101.50	5,123.05	0.00	0.00	0.00	0.00	148.33	478.59	7,374.60	13,575.72	26,800
Employee Ins. & Pen.	7,736.42	7,865.97	8,237.90	4,681.96	6,554.19	7,371.52	6,610.01	6,335.59	7,775.95	6,228.14	6,685.84	6,302.86	82,380
Wages & Comm. Exp.	20,086.45	25,733.73	16,960.42	17,045.16	22,338.50	17,469.96	21,754.99	22,092.31	20,245.80	21,647.64	19,057.41	18,289.23	242,720
Vehicle & Equip. Exp.	2,711.14	2,184.80	1,809.56	2,218.82	2,073.63	2,353.63	2,508.68	17,737.29	2,725.49	2,971.24	2,794.93	1,656.08	43,740
Maint. Supplies & Equip.	5,461.05	3,206.80	5,905.44	3,058.79	1,751.58	13,562.16	7,395.66	3,464.10	4,587.41	8,483.21	7,620.58	1,488.82	65,980
Office Supplies & Equip.	634.00	1,077.31	408.70	333.78	830.06	3,976.81	421.18	758.75	1,637.51	758.21	1,276.08	903.75	13,010
Billing Fee & Postage	840.45	859.40	858.14	842.13	818.60	866.44	863.64	873.53	886.81	870.60	864.08	1,042.26	10,480
Construction Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
RECD Reserve Account	335.00	335.00	335.00	335.00	335.00	335.00	335.00	335.00	335.00	335.00	335.00	335.00	4,020
Bonds & Interest	6,700.00	6,700.00	6,700.00	6,700.00	6,700.00	6,700.00	6,700.00	6,700.00	6,700.00	6,700.00	6,700.00	6,700.00	80,400
Depreciation Fund	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	6,000
Misc. Expenses	982.84	703.10	1,042.05	9,437.35	2,221.03	2,633.92	2,050.63	1,967.77	2,092.54	1,303.74	7,589.64	1,947.27	33,970
Taxes(S.S.,Util., Sales)	1,676.09	1,497.24	1,466.51	2,258.98	1,308.68	1,314.22	2,233.59	1,429.52	1,472.67	2,011.52	1,384.61	1,608.70	19,660
Public Service	0.00	0.00	0.00	0.00	0.00	1,657.06	0.00	0.00	0.00	0.00	0.00	0.00	1,650
Legal, Acctg. & Eng.	0.00	0.00	10,950.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,950
Chemical & Testing Exp.	299.64	264.00	610.50	323.19	154.40	1,175.36	1,035.12	1,066.18	96.52	874.79	1,086.48	336.48	7,320
Total Expenses	85,436.88	93,622.70	95,515.72	88,758.63	86,167.79	96,660.33	97,315.56	146,245.29	95,177.57	98,676.44	108,214.84	93,122.05	1,184,910
Nonoper. Income-Int.	1,487.73	972.58	1,012.50	823.59	942.58	971.91	938.26	991.01	577.72	545.50	526.31	498.99	10,280
Net Income (loss) profit	-478.17	3,122.00	11,357.07	-4,256.43	10,433.75	-1,910.85	12,362.01	-38,327.09	27,143.94	21,340.40	-24,551.22	5,176.64	21,410
Unpaid accts	547.35	1,030.13	553.72	728.40	516.24	556.99	593.65	807.67	855.28	710.61	562.65	378.26	7,460