


# HWU




## Henderson Water Utility

WATER • WASTEWATER • STORMWATER

 270.826.2421

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

 111 Fifth Street  
Henderson, KY 42420

January 26, 2021

Public Service Commission  
Commonwealth of Kentucky  
Tariff Division  
P.O. Box 615  
211 Sower Blvd.  
Frankfort, KY 40602-0615

Dear Sir or Madam:

Enclosed are copies of our notice and notification letters to Henderson County Water District and Beech Grove Water Systems Inc. concerning our 2021 rate adjustments along with the signed tariff sheet.

If you have any questions concerning this filing, please contact me.

Sincerely,

Todd Bowley  
Chief Financial Officer



## NOTICE

Henderson Water Utility ("Henderson Water") is providing notice that on January 26, 2021, it filed with the Public Service Commission to increase the wholesale rates it charges Henderson County Water District and Beech Grove Water System effective for water service rendered on and after March 1, 2021. The proposed rates are as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>\$ Change</u>	<u>% Change</u>
Henderson County Water District				
North System	\$3.0029 per 1,000 gallons	\$3.5029 per 1,000 gallons	\$0.5000 per 1,000 gallons	16.65% Increase
South System	\$2.6818 per 1,000 gallons	\$3.2549 per 1,000 gallons	\$0.5731 per 1,000 gallons	21.37% Increase
Beech Grove Water System	\$2.7470 per 1,000 gallons	\$3.3919 per 1,000 gallons	\$0.6449 per 1,000 gallons	23.48% increase

Water flowing through the meter(s) before the effective date will be charged at the current rates while water flowing through the meter(s) on and after the effective date will be charged at the proposed rates.

This filing may be examined at the offices of Henderson Water Utility located at 111 Fifth Street in Henderson, Kentucky.

This 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 PSC 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 KY 40602; or through its website at <http://psc.ky.gov>.

The rates contained in this notice are the rates proposed by Henderson Water but the Public Service Commission may order rates that differ from the proposed rates.

Intervention may be requested by submitting a timely written request for intervention by mail to the Public Service Commission, Post Office Box 615, Frankfort, KY 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 for intervention within thirty (30) days of the providing of this notice, the Public Service Commission may take final action on the filing.



INDEPENDENT ACCOUNTANT'S REPORT

Water and Sewer Commission of the City of Henderson  
Henderson Water Utility

We have examined the accompanying Beech Grove Water System, Inc. Calculation of South Water Cost per Contract (Calculation) of the Henderson Water Utility for the year ended June 30, 2020. Henderson Water Utility's management is responsible for the Calculation in accordance with the Agreement dated October 14, 2014. Our responsibility is to express an opinion on the Calculation based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Calculation is in accordance with the Agreement, in all material respects. An examination involves performing procedures to obtain evidence about the Calculation. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Calculation, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Beech Grove Water System, Inc. Calculation of South Water Cost per Contract of the Henderson Water Utility for the year ended June 30, 2020, is presented in accordance with the Agreement, in all material respects.

Owensboro, Kentucky  
December 15, 2020

*Riney Hancock CPAs PSC*

**Beech Grove Water System, Inc.**  
**Calculation of South Water Cost per Contract**  
**6/30/2020**

Operating expenses	\$ 2,493,588
Interest expense	<u>47,037</u>
Total cost	<u><u>\$ 2,540,625</u></u>
Net expenses applicable to Beech Grove Water System, Inc.	\$ 2,540,625
<u>Calculation of South Water Cost per Contract:</u>	
Expenses per above	\$ 2,540,625
Billable volume in gallons	861,372,838
Rate per 1000 gallons	\$ 2.9495
Times contract factor	<u>1.15</u>
<b>Calculated rate per 1,000 gallons</b>	<u><u>\$ 3.3919</u></u>



INDEPENDENT ACCOUNTANT'S REPORT

Water and Sewer Commission of the City of Henderson  
Henderson Water Utility

We have examined the accompanying Henderson County Water District Calculation of North Water Cost per Contract (Calculation) of the Henderson Water Utility for the year ended June 30, 2020. Henderson Water Utility's management is responsible for the Calculation in accordance with the Water Contract (Contract) dated June 1, 1989, as amended February 11, 1997. Our responsibility is to express an opinion on the Calculation based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Calculation is in accordance with the Contract, in all material respects. An examination involves performing procedures to obtain evidence about the Calculation. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Calculation, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Henderson County Water District Calculation of North Water Cost per Contract of the Henderson Water Utility for the year ended June 30, 2020, is presented in accordance with the Contract, in all material respects.

Owensboro, Kentucky  
December 15, 2020

*Riney Hancock CPAs PSC*

**Henderson County Water District**  
**Calculation of North Water Cost per Contract**  
**6/30/2020**

Operating expenses	\$ 6,075,926
Interest expense	<u>101,925</u>
Total cost	6,177,851
Less: City of Henderson overhead allocation	<u>(227,500)</u>
Net expenses applicable to Henderson County Water District	<u><u>\$ 5,950,351</u></u>

Calculation of North Water Cost per Contract:

Expenses per above	\$ 5,950,351
Volume in gallons	<u>2,123,351,260</u>
Rate per 1000 gallons	\$ 2.8023
Times contract factor	<u>1.25</u>
<b>Calculated rate per 1,000 gallons</b>	<u><u>\$ 3.5029</u></u>



INDEPENDENT ACCOUNTANT'S REPORT

Water and Sewer Commission of the City of Henderson  
Henderson Water Utility

We have examined the accompanying Henderson County Water District Calculation of South Water Cost per Contract (Calculation) of the Henderson Water Utility for the year ended June 30, 2020. Henderson Water Utility's management is responsible for the Calculation in accordance with the Water Contract (Contract) dated June 1, 1989, as amended February 11, 1997. Our responsibility is to express an opinion on the Calculation based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Calculation is in accordance with the Contract, in all material respects. An examination involves performing procedures to obtain evidence about the Calculation. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Calculation, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Henderson County Water District Calculation of South Water Cost per Contract of the Henderson Water Utility for the year ended June 30, 2020, is presented in accordance with the Contract, in all material respects.

Owensboro, Kentucky  
December 15, 2020

*Riney Hancock CPAs PSC*

**Henderson County Water District**  
**Calculation of South Water Cost per Contract**  
**6/30/2020**

Operating expenses	\$ 2,493,588
Interest expense	<u>47,037</u>
Total cost	2,540,625
Less: City of Henderson overhead allocation	<u>(65,000)</u>
Net expenses applicable to HCWD	<u><u>\$ 2,475,625</u></u>

Calculation of South Water Cost per Contract:

Expenses per above	\$ 2,475,625
Volume in gallons	<u>950,741,456</u>
Rate per 1000 gallons	\$ 2.6039
Times contract factor	<u>1.25</u>
<b>Calculated rate per 1,000 gallons</b>	<u><u>\$ 3.2549</u></u>



FOR Henderson, Kentucky  
Name of Municipality

P.S.C. KY. NO. 1

Fourth Revised SHEET NO. 1

Henderson Municipal Water & Sewer Commission  
(Name of Municipal Utility)

CANCELLING P.S.C. KY. NO. 1

Third Revised SHEET NO. 1

---

RATES AND CHARGES

---

Henderson County Water District

North System \$3.5029 per 1000 gallons (I)  
South System \$3.2549 per 1000 gallons (I)

Beech Grove Water System, Inc.

South System \$3.3919 per 1000 gallons (I)

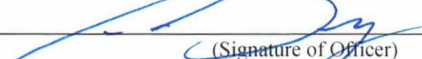
Rates will become effective for water consumed beginning in March 2021 and for bills issued after April 1, 2021.

Water Purchase Contracts between the City of Henderson and the Henderson County Water District entered into on the 1st day of June 1989 and amended the 11<sup>th</sup> day of February 1997, and between the City of Henderson and the Beech Grove Water System, Inc. entered into on the 14<sup>th</sup> day of October 2014, are on file at the Kentucky Public Service Commission.

---

DATE OF ISSUE January 26, 2021  
Month / Date / Year

DATE EFFECTIVE MARCH 1, 2021  
Month / Date / Year

ISSUED BY   
(Signature of Officer)

TITLE Chief Financial Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. N/A DATED N/A