



**STOLL
KEENON
OGDEN**
PLLC

DAMON R. TALLEY, PSC
PO BOX 150
112 N. LINCOLN BLVD.
HODGENVILLE, KY 42748

RECEIVED

APR 20 2016

Public Service
Commission

DAMON R. TALLEY
PHONE: (270) 358-3187
FAX: (270) 358-9560
damon.talley@skofirm.com

April 15, 2016

Acting Executive Director
Public Service Commission
PO Box 615
Frankfort, KY 40602

RE: Case No. 2016-00148
Hardin County Water District No. 2
(Construct, Finance, Rates; 278.023)

To Whom It May Concern:

Enclosed for filing, pursuant to 807 KAR 5:069, Section 3(3)(b), on behalf of Hardin County Water District No. 2, are the original and ten (10) copies of the Notice of Filing of Proof of Publication of the Customer Notice.

Yours truly,

STOLL KEENON OGDEN PLLC

Damon R. Talley, Attorney for
Hardin County Water District No. 2
damon.talley@skofirm.com

DRT:ms

Enclosures

cc: Hardin County Water District No. 2

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

RECEIVED

THE APPLICATION OF HARDIN COUNTY WATER)
DISTRICT NO. 2 SEEKING: (1) A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY)
AUTHORIZING CONSTRUCTION OF MAJOR)
ADDITIONS AND IMPROVEMENTS TO ITS)
WATER SYSTEM; (2) APPROVAL OF REVISED)
WATER SERVICE RATES AND CHARGES; AND)
(3) AUTHORIZING THE ISSUANCE OF CERTAIN)
SECURITIES, PURSUANT TO THE PROVISIONS)
OF KRS 278.023 AND 807 KAR 5:069.)

APR 20 2016
PUBLIC SERVICE
COMMISSION

CASE NO.
2016-00148

** ** ** ** **

**NOTICE OF FILING
OF PROOF OF PUBLICATION OF
CUSTOMER NOTICE**

** ** ** **~

1. Hardin County Water District No. 2 (the "District"), by counsel, hereby gives notice that it has filed a copy of the proof of publication of the attached Customer Notice in the record in this proceeding.

2. The proof of publication consists of a signed and notarized Affidavit of Publication dated April 6, 2016 from an authorized official of *The News-Enterprise* and the tear sheet of the Customer Notice, which was published in the April 6, 2016 issue of *The News-Enterprise*.

3. The proof of publication also consists of a signed and notarized Affidavit of Publication dated April 10, 2016 from an authorized official of *The LaRue County Herald News* and the tear sheet of the Customer Notice, which was published in the April 6, 2016 issue of *The LaRue County Herald News*.

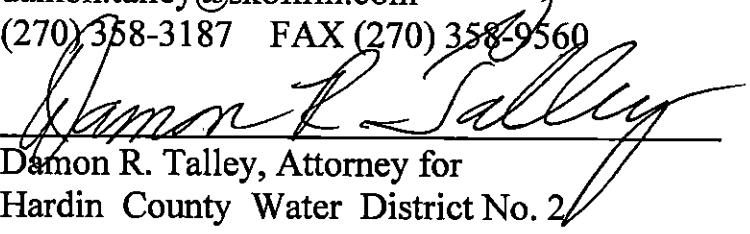
4. *The News-Enterprise* and *The LaRue County Herald News* are the newspapers of general circulation in the District's service area.

5. The Customer Notice, which was published in *The News-Enterprise* and in *The LaRue County Herald News*, is in the same format and contains the same information as the Customer Notice which was attached to the Application as **Exhibit 11** in this case.

6. This Notice of Filing is being made to comply with the provisions of 807 KAR 5:069, Section 3(3)(b).

This 15th day of April, 2016.

STOLL KEENON OGDEN PLLC
P. O. Box 150
Hodgenville, KY 42748-0150
damon.talley@skofirm.com
(270) 358-3187 FAX (270) 358-9560


Damon R. Talley, Attorney for
Hardin County Water District No. 2

The News Enterprise
408 W. Dixie Avenue
Elizabethtown, KY 42701
Phone: (270) 769-1200
Fax: (270) 765-0914

AFFIDAVIT OF PUBLICATION

I, Nancy Turner, do swear that the advertisement for Hardin County Water District #2, RE: Notice of Proposed Adjustment of Water Rates did appear in the April 6th 2016 issue(s) of The News Enterprise .

Dated this 6th day of April 2016

Nancy Turner
Signature

Subscribed and sworn to before me this 6th day of April 2016

My Commission Expires: 11/10/17

Notary: Jenny Simpson #499593

**NOTICE OF PROPOSED ADJUSTMENT OF WATER RATES
HARDIN COUNTY WATER DISTRICT NO. 2**

Notice is hereby given, pursuant to KRS 278.023 and 807 KAR 5:069, Section 3, that the Hardin County Water District No. 2 (the "District") plans to file, on or about April 8, 2016, an application with the Public Service Commission of Kentucky (the "PSC") to seek: (1) a Certificate of Public Convenience and Necessity to construct certain water infrastructure improvements necessary to obtain a supplemental supply of potable water from the Louisville Water Company near the Rolling Fork River in Hardin County, Kentucky, including constructing approximately 42,200 linear feet of 24-inch diameter water transmission line and other major additions and improvements to its water system; (2) authorization to issue certain securities, in an amount not to exceed \$5,000,000, which will be purchased by U. S. Department of Agriculture, Rural Development (the "RD") and (3) an adjustment of its monthly water service rates as follows:

Meter Size	Monthly Water Rates		Dollar Increase	Percent Increase
	Current Rates	Proposed Rates		
5/8 X 3/4 Inch Connection				
First 2,000 gallons	\$ 18.50 (Minimum Bill)	\$ 18.50 (Minimum Bill)	\$ 0.00	00.0%
Next 498,000 gallons	5.15 per 1,000 gallons	5.15 per 1,000 gallons	0.00	00.0%
Over 500,000 gallons	2.10 per 1,000 gallons	2.90 per 1,000 gallons	0.80	38.1%
1 Inch Connection				
First 5,000 gallons	\$ 33.95 (Minimum Bill)	\$ 33.95 (Minimum Bill)	\$ 0.00	00.0%
Next 495,000 gallons	5.15 per 1,000 gallons	5.15 per 1,000 gallons	0.00	00.0%
Over 500,000 gallons	2.10 per 1,000 gallons	2.90 per 1,000 gallons	0.80	38.1%
1-1/2 Inch Connection				
First 10,000 gallons	\$ 59.70 (Minimum Bill)	\$ 59.70 (Minimum Bill)	\$ 0.00	00.0%
Next 490,000 gallons	5.15 per 1,000 gallons	5.15 per 1,000 gallons	0.00	00.0%
Over 500,000 gallons	2.10 per 1,000 gallons	2.90 per 1,000 gallons	0.80	38.1%
2 Inch Connection				
First 20,000 gallons	\$ 111.20 (Minimum Bill)	\$ 111.20 (Minimum Bill)	\$ 0.00	00.0%
Next 480,000 gallons	5.15 per 1,000 gallons	5.15 per 1,000 gallons	0.00	00.0%
Over 500,000 gallons	2.10 per 1,000 gallons	2.90 per 1,000 gallons	0.80	38.1%
3 Inch Connection				
First 30,000 gallons	\$ 162.70 (Minimum Bill)	\$ 162.70 (Minimum Bill)	\$ 0.00	00.0%
Next 470,000 gallons	5.15 per 1,000 gallons	5.15 per 1,000 gallons	0.00	00.0%
Over 500,000 gallons	2.10 per 1,000 gallons	2.90 per 1,000 gallons	0.80	38.1%
4 Inch Connection				
First 50,000 gallons	\$ 265.70 (Minimum Bill)	\$ 265.70 (Minimum Bill)	\$ 0.00	00.0%
Next 450,000 gallons	5.15 per 1,000 gallons	5.15 per 1,000 gallons	0.00	00.0%
Over 500,000 gallons	2.10 per 1,000 gallons	2.90 per 1,000 gallons	0.80	38.1%
6 Inch Connection				
First 100,000 gallons	\$ 523.20 (Minimum Bill)	\$ 523.20 (Minimum Bill)	\$ 0.00	00.0%
Next 400,000 gallons	5.15 per 1,000 gallons	5.15 per 1,000 gallons	0.00	00.0%
Over 500,000 gallons	2.10 per 1,000 gallons	2.90 per 1,000 gallons	0.80	38.1%
8 Inch Connection				
First 150,000 gallons	\$ 780.70 (Minimum Bill)	\$ 780.70 (Minimum Bill)	\$ 0.00	00.0%
Next 350,000 gallons	5.15 per 1,000 gallons	5.15 per 1,000 gallons	0.00	00.0%
Over 500,000 gallons	2.10 per 1,000 gallons	2.90 per 1,000 gallons	0.80	38.1%
10 Inch Connection				
First 250,000 gallons	\$ 1,295.70 (Minimum Bill)	\$ 1,295.70 (Minimum Bill)	\$ 0.00	00.0%
Next 250,000 gallons	5.15 per 1,000 gallons	5.15 per 1,000 gallons	0.00	00.0%
Over 500,000 gallons	2.10 per 1,000 gallons	2.90 per 1,000 gallons	0.80	38.1%
12 Inch Connection				
First 400,000 gallons	\$ 2,068.20 (Minimum Bill)	\$ 2,068.20 (Minimum Bill)	\$ 0.00	00.0%
Next 100,000 gallons	5.15 per 1,000 gallons	5.15 per 1,000 gallons	0.00	00.0%
Over 500,000 gallons	2.10 per 1,000 gallons	2.90 per 1,000 gallons	0.80	38.1%

Effect Upon Average Bill. The proposed rate adjustment will not affect the bill of any customer whose monthly usage is less than 500,000 gallons per month. The District has three (3) customer classifications: (1) residential; (2) commercial; and (3) industrial. The rate schedule shown above applies to all three (3) customer classifications. The District's residential customers use an average of 4,500 gallons per month. Therefore, the average bill of residential customers will not increase if the proposed rates are approved by the PSC. The District's commercial customers use an average of 14,600 gallons per month. Therefore, the average bill of commercial customers will not increase if the proposed rates are approved by the PSC. The District's industrial customers use an average of 847,300 gallons per month. The monthly bill for an industrial customer using an average of 847,300 gallons per month will increase from \$3,312.53 to \$3,590.37. This is an increase of \$277.84 or 8.4%.

Effective Date. The District proposes to place the rates into effect for all water used on and after July 1, 2017.

Examination Of Application. Any person may examine the District's application during normal business hours at the following locations: (1) Hardin County Water District No. 2 Customer Service Center, 360 Ring Road, Elizabethtown, Kentucky (Telephone 270-737-1056); (2) Public Service Commission's offices, 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m.; (3) through the District's website at <http://www.hardincountywater2.org>; or (4) through the PSC's website at <http://psc.ky.gov>. Comments Regarding Application. Comments regarding the application may be submitted to the Public Service Commission through its website at <http://psc.ky.gov> or by mail to Public Service Commission, PO Box 615, Frankfort, Kentucky 40602. You may contact the Public Service Commission at 502-564-3940.

Rates Required By RD. The proposed rates are required under the terms of an agreement between the District and the U. S. Department of Agriculture, Rural Development (the "RD") under which RD will lend the District up to \$5,000,000. KRS 278.023 does not grant the PSC any discretionary authority to modify or reject any portion of the agreement between RD and the District or to defer the issuance of all necessary orders to implement the terms of that agreement.

Project Description. The RD loan proceeds will be used in conjunction with various grants totaling \$5,500,000 and a contribution by the District in the amount of \$4,500,000 to finance the Louisville Water Company Interconnection Project (the "LWC Project"). This project will provide the District with a supplemental supply of potable water and involves the installation of approximately 42,200 linear feet of 24-inch diameter ductile iron pipe transmission line and associated appurtenances, a pump station, and other major water infrastructure improvements described in the engineering reports prepared by Kenvirous, Inc.

Customers In Former Elizabethtown Water Service Area. The proposed rates will not alter or change the rates for customers receiving water service in the former Elizabethtown Water Service Area. These customers will continue to pay the rates that the PSC approved in its Order of October 23, 2014 in Case No. 2014-00289. On and after July 1, 2017, the same rate schedule for water service will apply to all District customers, including customers in the former Elizabethtown Water Service Area.

AFFIDAVIT OF PUBLICATION

I, Allison Shepherd, Publisher of The LaRue County Herald News, do hereby certify that the Legal Notice of Proposed Adjustment of Water Rates for Hardin County Water District No. 2 did appear in the April 6, 2016 edition of The LaRue County Herald News.

Allison Shepherd
Allison Shepherd

Subscribed and sworn to before me this the 10th day of April, 2016.

Angel Hunter
Notary Public

My commission expires the 14th day of April 20 17

NOTICE OF PROPOSED ADJUSTMENT OF WATER RATES

HARDIN COUNTY WATER DISTRICT NO. 2

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