

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF HENRY)	
COUNTY WATER DISTRICT #2 FOR AN)	CASE NO.
ALTERNATIVE RATE ADJUSTMENT PURSUANT)	2023-00090
TO 807 KAR 5:076)	

ORDER

On April 20, 2023,¹ Henry County Water District #2 (Henry District #2) filed its application with the Commission requesting an adjustment to its water rates pursuant to 807 KAR 5:076. To comply with the requirements of 807 KAR 5:076, Section 9,² Henry District #2 used the calendar year ended December 31, 2021, as the basis for its application. Henry District #2's last base rate increases pursuant to the alternative rate filing procedure was in Case No. 2016-00377.³

In its application, Henry District #2 requested rates that would increase its annual water sales revenues by \$835,948, or a 22.82 percent increase to pro forma present rate water sale revenues.⁴

¹ Henry District #2 tendered its application on March 30, 2023. By letter dated April 3, 2023, the Commission rejected the application for filing deficiencies. By letter dated April 13, 2023, Henry District #2 filed its response to the filing deficiencies. By letter dated April 19, 2023, the Commission rejected Henry District #2's response for filing deficiencies. The deficiencies were subsequently cured, and the application was deemed filed on April 20, 2023.

² The reasonableness of the proposed rates shall be determined using a 12-month historical test period, adjusted for known and measurable changes, that coincides with the reporting period of the applicant's annual report for the immediate past year

³ Case No 2016-00377, *Application of Henry County Water District #2 for Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Apr. 28, 2023).

⁴ Response to Deficiency Letter, Attachment 1, Revenue Requirement Calculation (filed Apr. 13, 2023).

To ensure the orderly review of the application, the Commission established a procedural schedule by Order dated May 15, 2023. Henry District #2 responded to two discovery requests from Commission Staff.⁵

On September 15, 2023, Commission Staff issued its report (Commission Staff's Report) summarizing its recommendations regarding Henry District #2's requested rate adjustment. In the Commission Staff's Report, Commission Staff recommended that Henry District #2's adjusted test-year operations support a total revenue requirement of \$4,612,539, and that an annual revenue increase of \$865,996, 23.86 percent, is necessary to generate the overall revenue requirement. In the absence of a cost-of-service study (COSS), Commission Staff allocated its recommended revenue increase evenly across the board to calculate its recommended water rates.

On September 29, 2023, Henry District #2 filed its response to Commission Staff's Report. Henry District #2 stated it disagreed with Commission Staff's adjustment for the removal of certain labor expenses from nonrecurring charges but did not wish to contest the adjustment in this case.⁶ Henry District #2 stated that it accepted the report's recommended revenue required and proposed rates for the purpose of this proceeding. Henry District #2 further stated that it waived its right to request an informal conference or hearing in this case and concurred with the remainder of Commission Staff's recommendations.⁷

⁵ Henry District #2's Response to Commission Staff's First Request for Information (Staff's First Request) (filed June 23, 2023). Henry District #2's Response to Commission Staff's Second Request for Information (Staff's Second Request) (filed July 25, 2023).

⁶ Henry District #2 Response to Staff Report (filed Sept. 29, 2023), Item 1.

⁷ Henry District #2 Response to Staff Report, Items 2-3.

LEGAL STANDARD

Alternative rate adjustment proceedings, such as this one, are governed by Commission regulation 807 KAR 5:076, which establishes a simplified process for small utilities to request rate adjustments, with the process designed to be less costly to the utility and the utility ratepayers. The Commission's standard of review of a utility's request for a rate increase is well established. In accordance with KRS 278.030 and case law, the utility is allowed to charge its customers "only fair, just and reasonable rates."⁸ Further, the utility bears the burden of proof to show that the proposed rate increase is just and reasonable under KRS 278.190(3).

BACKGROUND

Henry District #2 is a water utility organized pursuant to KRS Chapter 74 that owns and operates a water distribution system through which it provides retail water service to approximately 6,541 residential customers, 144 commercial customers, 2 industrial customers, and 30 public authorities that reside in five counties, Carroll, Henry, Oldham, Shelby, and Trimble Kentucky.⁹

UNACCOUNTED-FOR WATER LOSS

The Commission notes that in its 2021 Annual Report, Henry District #2 reported a water loss of 23.5302 percent.¹⁰ Commission regulation 807 KAR 5:066, Section 6(3), states that for ratemaking purposes, a utility's water loss shall not exceed 15 percent of

⁸ *City of Covington v. Public Service Commission*, 313 S.W.2d 391 (Ky. 1958); and *Public Service Comm'n v. Dewitt Water District*, 720 S.W.2d 725 (Ky. 1986).

⁹ *Annual Report of Henry District #2 to the Public Service Commission for the Calendar Year Ended December 31, 2021* (2021 Annual Report) at 12 and 49.

¹⁰ 2021 Annual Report at 57.

total water produced and purchased, excluding water consumed by a utility in its own operations. Henry County District #2 produces 100 percent of its finished water. The table below shows that the 2021 total annual cost of water loss to Henry District #2 is \$109,970, while the annual cost of water loss in excess of 15 percent is \$39,866.

Total Water Loss	Purchased		Total
	Power	Chemicals	
Pro Forma Purchases	\$ 436,393	\$ 30,965	\$ 467,358
Water Loss Percent	23.5302%	23.5302%	
Total Water Loss	\$ 102,684	\$ 7,286	\$ 109,970

Excess Water Loss	Purchased		Total
	Power	Chemicals	
Pro Forma Purchases	\$ 436,393	\$ 30,965	\$ 467,358
Water Loss in Excess of 15%	8.5302%	8.5302%	
Disallowed Water Loss	\$ 37,225	\$ 2,641	\$ 39,866

TEST PERIOD

The calendar year ended December 31, 2021, was used as the test year to determine the reasonableness of Henry District #2's existing and proposed water rates as required by 807 KAR 5:076, Section 9.

SUMMARY OF REVENUE AND EXPENSES

The Commission Staff's Report summarizes Henry District #2's pro forma income statement as follows:¹¹

	Commission Staff's Report		
	Test-Year Operations	Pro Forma Adjustments	Pro Forma Operations
Operating Revenues	\$ 3,663,031	\$ 67,502	\$ 3,730,533
Operating Expenses	3,479,423	89,254	3,568,677
Net Utility Operating Income	183,608	(21,752)	161,856
Interest Income	16,010	0	16,010

¹¹ Commission Staff Report at 7.

	\$ 199,618	\$(21,752)	\$ 177,866
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REVIEW OF COMMISSION STAFF'S RECOMMENDATIONS

Henry District #2's proposed adjustments to revenues and expenses reflect current and expected operating conditions. In the Commission Staff's Report, Commission Staff proposed additional adjustments. The Commission accepts the findings and recommendations contained in the Commission Staff's Report. The Commission has no further modifications. The following is the Commission Staff's complete pro forma:

	Test Year	Henry District #2 Proposed Adjustments	Commission Staff Adjustments	Total Adjustments (Ref.)	Pro Forma
<u>Operating Revenues</u>					
Sales of Water					
Metered Water Sales	\$ 3,246,684		\$ 119,335	\$ 119,335 (A)	\$ 3,366,019
Sales for Resale	262,804				262,804
Total Sales of Water	3,509,488	0	119,335	119,335	3,628,823
Other Water Revenues					
Forfeited Discounts	75,003			0	75,003
Miscellaneous Service Revenues	25,620		(12,508)	(12,508) (B)	13,112
Other Water Revenues	52,920		(39,325)	(39,325) (C)	13,595
Total Other Water Revenues	153,543	0	(51,833)	(51,833)	101,710
Total Operating Revenues	3,663,031	0	67,502	67,502	3,730,533
<u>Operating Expenses</u>					
Operation and Maintenance Expenses					
Salaries and Wages - Employees	951,196				951,196
Salaries and Wages - Commissioners	30,000				30,000
Employee Pensions and Benefits	478,143				478,143
Purchased Power	436,393	130,000	1,761	131,761 (D)	528,288
Chemicals	30,965		(37,225)	(39,866) (D)	28,324
Materials and Supplies	360,984		(2,641)	(2,641) (E)	360,984
Contractual Services	127,308				127,308
Water Testing	18,122				18,122
Transportation Expense	12,349				12,349
Insurance	59,507				59,507
Bad Debt Expense	1,630				1,630
Miscellaneous Expense	64,606				64,606
Total Operation and Maintenance Expenses	2,571,203	130,000	(38,105)	89,254	2,660,457
Depreciation Expense	822,176				822,176
Taxes Other Than Income	86,044				86,044
Total Operating Expenses	3,479,423	130,000	(38,105)	89,254	3,568,677
Net Operating Income	183,608	(130,000)	105,607	(21,752)	161,856
Interest Income	16,010				16,010
Income Available to Service Debt	\$ 199,618	\$ (130,000)	\$ 105,607	\$ (21,752)	\$ 177,866

Billing Analysis. Henry District #2 provided a billing analysis listing the water usage and water sales revenue for the 12-month test year in its application, with total metered water sales revenue of \$3,781,864. In the 2021 Annual Report, total metered sales revenue reported for the test year is \$3,246,683.¹² Henry District #2 provided a billing analysis to calculate a normalized revenue amount based on the usage during the test year using the rates authorized in its current tariff to be \$3,781,864.¹³ Henry District #2 did not propose an adjustment¹⁴ to Retail Water Revenue in the application, or in its responses to Commission Staff's two requests for information. In response to Staff's First Request, Henry District #2 provided usage breakdown reports,¹⁵ additional detailed information about its test year revenue¹⁶ and additional usage data.¹⁷

Commission Staff reviewed the billing analysis data¹⁸ provided by Henry District #2, and calculated a normalized revenue amount of \$3,628,823, as shown in the table below. Commission Staff subtracted the reported test year revenue amount of \$3,246,684 from the normalized revenue amount for an adjustment amount to Metered Water Sales of \$119,335.

¹² 2021 Annual Report at 49.

¹³ Application at 18.

¹⁴ Henry District #2's Response to Staff's First Request, Item 25 RESPONSE_TO_25.pdf.

¹⁵ Henry District #2's Response to Staff's First Request, Item_23_Response_to_Reconsile.pdf.

¹⁶ Henry District #2's Response to Staff's First Request, Item_24_0001.pdf.

¹⁷ Henry District #2's Response to Staff's First Request, Item_26_Usage_Breakdown__00-19-2023.pdf.

¹⁸ Henry District #2's Response to Staff's First Request, Item_26_Usage_Breakdown__00-19-2023.pdf.

Meter Size	Bills	Gallons Sold	Revenue
All	80,589	402,008,328	\$3,365,987
BULK	86	96,622,310	<u>262,836</u>
Normalized Revenue			\$3,628,823
Less: Reported Test Year Revenue			<u>(\$3,246,684)</u>
Adjustment to Metered Water Sales			<u><u>\$119,335</u></u>

The Commission finds that Commission Staff's recommendation is reasonable and Henry District #2's test-year water sales revenue should be increased by \$119,335 because the billing and usage data provided by Henry District #2 reflects a higher water sales revenue.

Nonrecurring Charges. In the Commission Staff's Report, Commission Staff recommended the removal of estimated labor costs, previously included in determining the amount of Nonrecurring Charges, from the Nonrecurring Charges.¹⁹ Henry District #2 provided updated cost justification information for the Nonrecurring Charges.²⁰ Commission Staff reviewed the cost justification information provided by Henry District #2 and have adjusted these charges by removing the \$20 to \$40 per hour Field Labor Costs and the \$20 per hour Office/Clerical Labor Costs from those charges that occur during normal business hours. Commission Staff also disallowed the mileage charge of \$19.50 from Returned Check Charge because it is unrelated to the processing of a returned check. The calculation of these adjustments to the Nonrecurring Charges and Commission Staff's proposed Nonrecurring Charges are included in a Table provided

¹⁹ Commission Staff's Report at 5-6, Appendix A.

²⁰ Henry District #2's Response to Staff's First Request, Item_17_0001.pdf; and Henry District #2's Response to Staff's Second Request, Item_3_Non_recurring_charges.pdf.

in Appendix B. The revised Nonrecurring Charges result in a decrease to test year Other Water Revenues and an increase to the total revenue requirement of \$12,508 as calculated below:

Nonrecurring Charges	Current			Revised		Pro Forma
	Tariff Rate	Items	Total	Rate	Adjustment	
Connection Fee	\$35.00	732	\$25,620	\$22.00	(\$9,516)	\$16,104
Meter Relocation Charge	\$575.00	2	1,150	\$345.00	(460)	690
Meter Test Charge	\$20.00	0	0	\$15.00	0	0
Meter Reading	\$25.00	0	0	\$15.00	0	
Returned Check Charge	\$25.00	138	3,450	\$11.00	(1,932)	1,518
At Door Collection Fee	\$25.00	120	3,000	\$20.00	(600)	2,400
			<u>\$33,220</u>		<u>(\$12,508)</u>	<u>\$20,712</u>

The Commission finds that the Commission Staff's Report is consistent with recent Commission decisions, that labor expenses resulting from work during normal business hours should not be recovered through nonrecurring charges.²¹ The Commission requires that charges be directly related to the actual cost incurred to provide the service. Only the marginal cost related to the service should be recovered through a special nonrecurring charge for service provided during normal working hours. For the reason discussed above, the estimated labor expenses previously included in determining the amount of nonrecurring charges should be eliminated from the charges as proposed by Commission Staff. Thus, the Commission finds that Commission Staff's recommendation is reasonable, the revised nonrecurring charges described in Appendix A to be reasonable and that Henry District #2's Miscellaneous Service Revenue should be

²¹ Case No. 2020-00141, *Electronic Application of Hyden-Leslie County Water District for an Alternative Rate Adjustment* (Ky. PSC Nov. 6, 2020); Case No. 2020-00167, *Electronic Application of Ohio County Water District for an Alternative Rate Adjustment* (Ky. PSC Dec. 3, 2020); Case No. 2020-00196, *Electronic Application of West Daviess County Water District for an Alternative Rate Adjustment* (Ky. PSC Dec. 30, 2020); and Case No. 2020-00195, *Electronic Application of Southeast Daviess County Water District for an Alternative Rate Adjustment* (Ky. PSC Dec. 30, 2020).

adjusted by \$12,508 because only the incremental cost related to the service should be recovered for service provided during normal working hours.

Other Water Revenues. Henry District #2 did not propose an adjustment to Other Water Revenues in its application. In the Commission Staff's Report, Commission Staff recommended a decrease in Other Water Revenues of \$39,325 to remove expenses that will not recur annually, leaving a Pro Forma Other Water Revenues balance of \$13,595.²² After a review of Henry District #2's 2021 general ledger, Commission Staff identified \$39,325 that will not recur annually, including restitution checks, a payment for parts, and a well pump malfunction adjustment.²³

The Commission finds that Commission Staff's recommendation is reasonable and Henry District #2's Other Water Revenues should be decreased by \$39,325 to reflect the correct amount of recurring Other Water Revenues provided in Henry District #2's general ledger.

Purchased Power. Henry District #2 proposed an increase of \$130,000 to Purchased Power expense to reflect increased rates by energy providers and provided support with documentation of the Purchased Power amount of \$568,154 for the 12-month period from February 2022 to January 2023.²⁴

Commission Staff reviewed Henry District #2's general ledgers for 2021, 2022, and 2023 and the Commission's case history for Henry District #2's electric providers, Shelby Energy Cooperative, Inc. and Kentucky Utilities Company, confirming that electric rates

²² Commission Staff Report at 10.

²³ Commission Staff Report at 10.

²⁴ Henry District #2's Response to Staff's First Request, Item 14, Response_to_Question_14.xlsx.

have increased since the test year.²⁵ Commission Staff calculated an additional increase of \$1,761 to Henry District #2's proposed \$130,000 adjustment as shown below.

Purchases Feb 2022 - Jan 2023	\$ 568,154
Test Year ()	(436,393)
Difference	<u>\$ 131,761</u>
Utility Proposed Adjustment ()	(130,000)
Staff Adjustment	<u><u>\$ 1,761</u></u>

Commission Staff also calculated a \$37,225 decrease to Purchased Power to account for Henry District #2's water loss in excess of 15 percent as calculated below.

Purchased Power	Total Water Loss	Excess Water Loss Adjustment
Pro Forma Purchases	\$ 436,393	\$ 436,393
Water Loss Percent	23.5302%	8.5302%
Totals	<u><u>\$ 102,684</u></u>	<u><u>\$ 37,225</u></u>

The Commission finds that Commission Staff's first recommendation is reasonable and Henry District #2's Purchased Power expense should be increased by \$131,261 to reflect the increase in Henry District #2's Purchased Power expense because Henry District #2's electric providers' case history and Henry District #2's general ledger support the electric rate increases since the test year. The Commission also finds that Commission Staff's second recommendation is reasonable and Henry District #2's Purchased Power expense should be decreased by \$37,225, to reflect the Purchased Power expense associated with water loss in excess of 15 percent.

²⁵ Case No. 2020-00349 *Electronic Application of Kentucky Utilities Company for an Adjustment of its Electric Rates* (Ky. PSC Sept. 9, 2021). Case No. 2021-00117 *Electronic Application of Shelby Energy Cooperative, Inc. for Pass-Through of East Kentucky Power Cooperative, Inc. Wholesale Rate Adjustment* (Ky. PSC Sept. 30, 2021).

Chemicals. Henry District #2 did not propose an adjustment to Chemicals expense. Commission Staff calculated a \$2,641 decrease to Chemicals expense representing costs associated with water loss in excess of 15 percent as calculated below.

Chemicals	Total Water Loss	Excess Water Loss Adjustment
Pro Forma Purchases	\$ 30,965	\$ 30,965
Water Loss in Excess of 15%	23.5302%	8.5302%
Totals	<u>\$ 7,286</u>	<u>\$ 2,641</u>

The Commission finds that Commission Staff’s recommendation is reasonable and Henry District #2’s Chemicals expense should be decreased by \$2,641 to represent the cost associated with water loss in excess of 15 percent.

REVENUE REQUIREMENTS

The Commission has historically applied a Debt Service Coverage (DSC) method to calculate the Overall Revenue Requirement of water districts and water associations. This method allows for recovery of (1) cash-related pro forma operating expenses; (2) recovery of depreciation expense, a noncash item, to provide working capital;²⁶ (3) the average annual principal and interest payments on all long-term debts; and (4) working capital in addition to depreciation expense.

²⁶ The Kentucky Supreme Court has held that the Commission must permit a water district to recover its depreciation expense through its rates for service to provide internal funds for renewing and replacing assets. *Public Serv. Comm’n of Kentucky v. Dewitt Water Dist.*, 720 S.W.2d 725, 728 (Ky. 1986). Although a water district’s lenders require that a small portion of the depreciation funds be deposited annually into a debt reserve/depreciation fund until the account’s balance accumulates to a required threshold, neither the Commission nor the Court requires that revenues collected for depreciation be accounted for separately from the water district’s general funds or that depreciation funds be used only for asset renewal and replacement. The Commission has recognized that the working capital provided through recovery of depreciation expense may be used for purposes other than renewal and replacement of assets. See Case No. 2012-00309, *Application of Southern Water and Sewer District for an Adjustment in Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities* (Ky. PSC Dec. 21, 2012).

	Henry District #2	Commission Staff
Pro Forma Operating Expenses	\$ 3,609,423	\$ 3,568,677
Plus: Average Annual Principal and Interest Payments	905,566	869,885
Debt Coverage Requirement	0	173,977
Total Revenue Requirement	4,514,989	4,612,539
Less: Other Operating Revenue	0	(101,710)
Non-Operating Revenue	0	0
Interest Income	(16,010)	(16,010)
Revenue Required from Rates	4,498,979	4,494,819
Less: Revenues from Sales at Present Rates	(3,663,031)	(3,628,823)
Required Revenue Increase	\$ 835,948	\$ 865,996
Percentage Increase	22.82%	23.86%

RATE DESIGN

Henry District #2 proposed to increase all its monthly retail water service rates evenly across the board by approximately 22.82 percent, in its application. Henry District #2 did not perform a COSS and stated that the last COSS occurred in April 2017 for the installation of a new tap-on service.²⁷ Henry District #2 provided information about material changes that would warrant a new COSS, including several system improvements and the complete refurbishment of the stripper tanks at the Treatment Plant location.²⁸ In the Commission Staff Report, Commission Staff recommended that Henry District #2 prepare a COSS before it submits any future applications for a rate adjustment to the Commission given the material changes that impact the cost to service customers.

²⁷ Commission Staff Report at 4.

²⁸ Henry District #2's Response to Staff's First Request, Item 22.

The Commission previously found that the allocation of a revenue adjustment evenly across the board to a utility's rate design is appropriate when no evidence has been entered into the record demonstrating that this method is unreasonable and in the absence of a COSS. Finding no such evidence in this case, Commission Staff followed the method proposed by Henry District #2 and allocated the \$865,996 revenue increase across the board to Henry District #2's monthly retail water service rates.

The rates set forth in Appendix A to this Order are based upon the revenue requirement the Commission has found to be fair, just and reasonable, and will produce sufficient revenues from water sales to recover the \$4,494,819 Revenue Required from Water Sales, an approximate 23.86 percent increase. These rates will increase the monthly water bill of a typical residential customer using 4,000 gallons from \$33.92 to \$41.95, an increase of \$8.03, or approximately 23.67 percent.²⁹

SUMMARY

After consideration of the evidence of record and being otherwise sufficiently advised, the Commission finds that the recommendations contained in the Commission Staff's Report are supported by the evidence of record and are reasonable. The Commission has historically used a DSC method to calculate the revenue requirement for water districts or associations with outstanding long-term debt. Therefore, applying the DSC method to Henry District #2's pro forma operations results in an Overall Revenue Requirement of \$4,612,539, a required revenue from water sales of \$4,494,819, and an increase in revenue from water sales of \$865,996, or 23.86 percent.

²⁹ $\$41.95$ (Average Bill New Water Rates) - $\$33.92$ (Average Bill Current Water Rates) = $\$8.03$
(Total Difference in Customer Bill) \div $\$33.92$ (Average Bill Current Water Rates) = 23.67%.

The Commission finds that allocating the calculated revenue increase across the board to Henry District #2's monthly water service rates fair, just and reasonable.

IT IS THEREFORE ORDERED that:

1. The recommendations contained in the Commission Staff's Report are adopted and incorporated by reference into this Order as if fully set out herein.
2. The water service rates proposed by Henry District #2 are denied.
3. The rates set forth in the Appendix A to this Order are approved for services rendered by Henry District #2 on or after November 5, 2023.
4. The Nonrecurring Charges set forth in the Appendix A to this Order are approved for service rendered by Henry District #2 on or after November 5, 2023.
5. Within 20 days of the date of service of this Order, Henry District #2 shall file with this Commission, using the Commission's electronic Tariff Filing System, new tariff sheets setting forth the rates and charges approved herein and their effective date, and stating that the rates and charges were authorized by this Order.
6. Henry District #2 shall use the midpoint of the depreciable lives of the National Association of Regulatory Utility Commissioners ranges, as proposed in the application and agreed upon by Staff, to depreciate water plant assets for accounting purposes in all future reporting periods. No adjustment to accumulated depreciation or retained earnings should be made to account for this change in the accounting estimate.
7. This case is closed and removed from the Commission's docket.

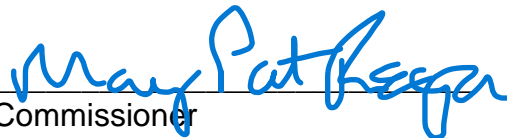
PUBLIC SERVICE COMMISSION



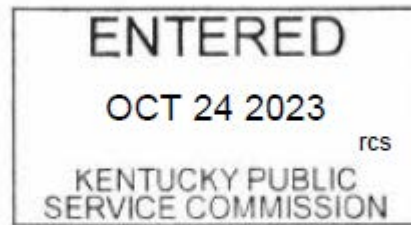
Chairman



Vice Chairman



Commissioner



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00090 DATED OCT 24 2023

The following rates and charges are prescribed for the customers in the area served by Henry County Water District #2. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	1,500 Gallons	\$24.43	Minimum Bill
Next	3,500 Gallons	0.00876	Per Gallon
Next	5,000 Gallons	0.00800	Per Gallon
Next	10,000 Gallons	0.00648	Per Gallon
Next	30,000 Gallons	0.00495	Per Gallon
Over	50,000 Gallons	0.00335	Per Gallon
Wholesale		0.00335	Per Gallon

Nonrecurring Charges

Late Payment Penalty	10%
Connection Fee	\$22.00
Meter Relocation Charge	\$345.00
Meter Test Charge	\$15.00
Meter Reading	\$15.00
Returned Check Charge	\$11.00
At Door Collection Fee	\$20.00
5/8 x 3/4 Inch Water Tap On	\$1,400.00
All Larger Meters	Actual Cost

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00090 DATED OCT 24 2023

* Denotes Rounding

Nonrecurring Charges Adjustments

<u>Connection Fee</u>		
	<u>Utility Revised Charge</u>	<u>Staff Revised Charge</u>
Field Materials	\$2.00	\$2.00
Field Labor (\$20.00 at 1 hours)	\$20.00	\$0.00
Transportation (30 miles @ 0.655)	\$19.50	\$19.50
Total Revised Charge	\$42.00*	\$22.00*

<u>Meter Relocation Charge</u>		
	<u>Utility Revised Charge</u>	<u>Staff Revised Charge</u>
Field Materials	\$325.00	\$325.00
Field Labor (\$40.00 at 4 hours)	\$160.00	\$0.00
Transportation	\$19.50	\$19.50
Total Revised Charge	\$505.00*	\$345.00*

<u>Meter Test Charge</u>		
	<u>Utility Revised Charge</u>	<u>Staff Revised Charge</u>
Field Materials		
Field Labor (\$20.00 at 1 hours)	\$20.00	\$0.00
Transportation	\$15.00	\$15.00
Total Revised Charge	\$35.00	\$15.00

<u>Meter Reading</u>		
	<u>Utility Revised Charge</u>	<u>Staff Revised Charge</u>
Field Materials		
Field Labor (\$20.00 at .5 hours)	\$10.00	\$0.00
Transportation	\$15.00	\$15.00
Total Revised Charge	\$35.00	\$15.00

<u>Returned Check Charge</u>		
	<u>Utility Revised Charge</u>	<u>Staff Revised Charge</u>
Field Materials	\$19.50	\$0.00

Field Labor (\$20.00 at .5 hours)	\$10.00	\$0.00
Office Supplies	\$3.50	\$3.50
Office Labor (\$20.00 at .5 hours)	\$10.00	\$0.00
Transportation		
Bank Charge	\$7.00	\$7.00
Total Revised Charge	<u>\$50.00</u>	<u>\$11.00*</u>

At Door Collection Fee

	<u>Utility Revised Charge</u>	<u>Staff Revised Charge</u>
Field Materials	\$0.15	\$0.15
Field Labor (\$20.00 at .5 hours)	\$10.00	\$0.00
Transportation	\$19.50	\$19.50
Total Revised Charge	<u>\$30.00*</u>	<u>\$20.00*</u>

Connection Fee	\$22.00
Meter Relocation Charge	\$345.00
Meter Test Charge	\$15.00
Meter Reading	\$15.00
Returned Check Charge	\$11.00
At Door Collection Fee	\$20.00

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