

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF)	CASE NO.
HARRODSBURG WATER DEPT. REVISING ITS)	2023-00206
WHOLESALE WATER SERVICE RATES)	

ORDER

On June 2, 2023, the city of Harrodsburg Water Department (Harrodsburg) filed with the Commission a revised tariff sheet setting forth proposed adjustments to Harrodsburg’s existing rate for wholesale water service to Lake Village Water Association (Lake Village Water) and North Mercer Water District (North Mercer District) effective July 3, 2023. Harrodsburg proposed to increase the wholesale water rates by 6.5 percent.

As a basis for the rate increase, Harrodsburg stated that its contracts with Lake Village Water and North Mercer District require increases to the wholesale rate when Harrodsburg raises its retail rates and that Harrodsburg anticipates a commensurate 6.5 percent increase to its retail customers to be effective July 3, 2023.¹ Harrodsburg indicated the ordinance to increase its retail rates was scheduled to receive its first reading on June 12, 2023, with the second reading scheduled for June 26, 2023. Harrodsburg responded to one request for information from Commission Staff, a copy of which is included in the Appendix to this Order.

The contracts between Harrodsburg and Lake Village Water, and between Harrodsburg and North Mercer District, respectively, both state “[i]n the event the City

¹ June 2, 2023 letter from M. Todd Osterloh to Linda Bridwell.

should increase or decrease its rates or charges to its customers, an equal increase or decrease will be made in its charges to the District/Association.”²

LEGAL STANDARD

KRS 278.030 provides that a utility may collect fair, just and reasonable rates and that the service it provides must be adequate, efficient and reasonable.

KRS 278.200 provides the Commission with jurisdiction over contracts between a municipality, such as Harrodsburg, and a jurisdictional utility, such as Lake Village Water or North Mercer District. This jurisdiction includes the authority to change any rate fixed by such a contract.³

KRS 278.180(1) states that no change shall be made to any rate except upon 30 days’ notice to the Commission. The Commission may, upon showing of good cause, shorten the notice period from 30 days to a period not less than 20 days.

DISCUSSION AND FINDINGS

The Commission notes that, when Harrodsburg made the instant tariff filing on June 2, 2023, the ordinance to increase rates to Harrodsburg’s retail customers had not yet received its first or second reading, and thus the increase in Harrodsburg’s retail rate had not yet been approved or placed into effect.⁴ As noted in the contracts between Harrodsburg and the jurisdictional utilities, Harrodsburg cannot raise wholesale rates

² August 23, 2010 Water Purchase Agreement with North Mercer Water District; December 14, 1982 Water Purchase Agreement with Lake Village Water Association.

³ See *Simpson County Water District v. City of Franklin*, 872 S.W,2d 460 (Ky. 1994) (The Commission’s exclusive jurisdiction over the regulation of utility rates and service extends to a city contracting for the sale and supply of water to a utility regulated by the Commission).

⁴ KRS 83A.060(4), which addresses municipal enactment of ordinances, states that except in an emergency no ordinance can be enacted until it has been read on two separate days.

unless and until Harrodsburg raises retail rates. Thus, the increase in Harrodsburg's retail rates is a contractual condition precedent to an increase in Harrodsburg's wholesale rates. Based upon the plain language of the contracts, Harrodsburg's proposed increase in wholesale rates is contrary to the terms of the contract.

For the reasons discussed above, the Commission finds that the proposed wholesale rate increase cannot be approved until the application complies with the contractual terms for a wholesale rate increase. Specifically, the proposed wholesale rate increase cannot be approved unless and until Harrodsburg files evidence of an increase in its retail rates that satisfies the contractual condition precedent for the wholesale rate increase. The Commission finds that Harrodsburg should provide evidence of the increase in its retail rates within three business days of the retail rate increase.

Because Harrodsburg's application cannot be approved until the contractual condition precedent is met, the proposed wholesale rate increase cannot go into effect on July 3, 2023. Based upon the case record, if Harrodsburg enacts the proposed retail rate increase on June 26, 2023, with an effective date of July 3, 2023, then the earliest the wholesale rate increase can go into effect under KRS 278.180 is 30 days after the retail rates are placed into effect, or 20 days after the retail rates are placed into effect if good cause to shorten the notice period is established.

Having reviewed the proposed rate adjustment and for the reasons discussed above, the Commission finds that an investigation is necessary to determine the reasonableness of the proposed rate adjustment and that such investigation cannot be completed by July 3, 2023. Pursuant to KRS 278.190(2), the Commission will, therefore,

suspend the effective date of the proposed tariff for five months, up to and including December 2, 2023.

The Commission finds that Lake Village Water and North Mercer District, as wholesale purchasers of Harrodsburg, have a significant interest in this proceeding and should be served with a copy of this Order and presented an opportunity to intervene in this proceeding.

The Commission directs Harrodsburg to the Commission's July 22, 2021 Order in Case No. 2020-00085⁵ in which the Commission mandated the use of electronic filing procedures listed in 807 KAR 5:001, Section 8. The Commission finds that electronic filing procedures is used, consistent with the filing procedures set forth in Case No. 2020-00085.

The Commission may establish a procedural schedule at a later date if necessary.

IT IS THEREFORE ORDERED that:

1. This proceeding is established to investigate the reasonableness of the proposed tariff.
2. Harrodsburg's proposed tariff is suspended for five months from July 3, 2023, up to and including December 2, 2023.
3. Harrodsburg shall, by counsel, enter an appearance in this proceeding within seven days of the date of service of this Order. The entry of appearance shall

⁵ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

include the name, address, telephone number, fax number, and electronic mail address of counsel.

4. Harrodsburg shall file evidence of satisfying the contractual condition precedent required to increase its wholesale rates within three business days of satisfying the contractual condition precedent.

5. Unless otherwise ordered by the Commission, the procedures set forth in 807 KAR 5:001, Section 8, related to service and electronic filing of papers shall be followed in this proceeding.

6. Pursuant to 807 KAR 5:001, Section 8(9), within seven days of the date of service of this Order, Harrodsburg shall file by electronic means a written statement that it waives any right to service of Commission Orders by United States mail and that it or its authorized agent possess the facilities to receive electronic submissions.

7. Requests for Intervention shall be filed by June 30, 2023.

8. Unless a party granted leave to intervene states its objection to the use of electronic filing procedures in a motion for intervention, the party shall:

a. Be deemed to have consented to the use of electronic filing procedures and the service of all papers, including Orders of the Commission, by electronic means; and

b. Within seven days of the date of service of an order of the Commission granting intervention, file with the Commission a written statement that:

(1) It or its authorized agent possesses the facilities to receive electronic transmissions; and

(2) Sets forth the electronic mail address to which all electronic notices and messages related to this proceeding shall be served.

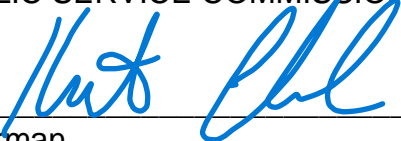
9. If a party objects to the use of electronic filing procedures and the Commission determines that good cause exists to excuse that party from the use of electronic filing procedures, service of documents on that party and by that party shall be made in accordance with 807 KAR 5:001, Section 4(8).

10. As set forth in 807 KAR 5:001, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding, which is not adequately represented in the case, or (2) that the person requesting permissive intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. Therefore, any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not otherwise adequately represented, or the issues and facts the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of utility service consumed by the movant or a general statement regarding the potential impact of possible modification of rates will not be deemed sufficient to establish a special interest.

11. Any motion to intervene after June 30, 2023, shall also show good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

12. The Executive Director shall serve a copy of this Order upon Lake Village Water and North Mercer District.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ENTERED
JUN 29 2023
rcs
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00206 DATED JUN 29 2023

EIGHT PAGES TO FOLLOW

From: [Todd Osterloh](#)
To: [Hinton, Daniel E \(PSC\)](#)
Cc: [Rogness, Benjamin \(PSC\)](#); [Abshire, Jeff A \(PSC\)](#)
Subject: RE: KY-PSC Electronic Filing Center NotificationTFS2023-00276
Date: Tuesday, June 13, 2023 9:15:51 AM
Attachments: [Ordinance 2023-19 Water Rates.doc](#)

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Daniel,

I am attaching the draft ordinance for Harrodsburg. As I understand it, this ordinance had a first reading last night. It'll be on the June 26 agenda for a second reading and vote.

Todd

M. Todd Osterloh

Member

tosterloh@sturgillturner.com

mobile: 859.433.0027

[Sturgill Turner](#)



Sturgill, Turner, Barker & Moloney, PLLC
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Lexington, KY 40507-1681
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sturgillturner.com

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From: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Sent: Tuesday, June 6, 2023 7:37 AM
To: Todd Osterloh <tosterloh@sturgillturner.com>
Cc: Rogness, Benjamin (PSC) <benjamin.rogness@ky.gov>; Abshire, Jeff A (PSC) <jeff.abshire@ky.gov>
Subject: RE: KY-PSC Electronic Filing Center NotificationTFS2023-00276

Todd,

Please provide the Harrodsburg Ordinance authorizing the proposed 6.5 percent increase to the retail and wholesale customers.

I've set the filing to Amendment Expected so you should be able to upload the ordinance directly to TFS2023-00276.

If you have any questions, please let us know.

Thanks.

Daniel

From: KY Public Service Commission <psc.tariffs@ky.gov>
Sent: Friday, June 2, 2023 4:22:57 PM (UTC-05:00) Eastern Time (US & Canada)
To: tosterloh@sturgillturner.com <tosterloh@sturgillturner.com>
Cc: PSC Tariffs <psc.tariffs@ky.gov>
Subject: KY-PSC Electronic Filing Center NotificationTFS2023-00276

This notification has been sent to you regarding your recent Tariff filing : TFS2023-00276 file(s) have been transmitted successfully.

Documents received for Tariff filing: TFS2023-00276 for City of Harrodsburg Water Dept.
6/2/2023 4:22:51 PM

File Summary:

File Name: Harrodsburg_Rate_Increase_Notice_(01888967).pdf

Description: Support Document

File Name: Read1st_Harrodsburg_July_2023_Tariff_(01890051).pdf

Description: Cover Letter

File Name: Tariff_North_Mercer_Lake_Village_2023.pdf

Description: Tariff

Thank you.

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2005 WL 385077

Only the Westlaw citation is currently available.

Unpublished opinion. See KY ST RCP Rule 76.28(4) before citing.

Court of Appeals of Kentucky.

CITY OF RUSSELLVILLE, Kentucky,
Appellant
v.
PUBLIC SERVICE COMMISSION OF
KENTUCKY; East Logan Water District,
Incorporated; and North Logan Water
District, Appellees.

No. 2003-CA-002132-MR.

|
Feb. 18, 2005.

|
Discretionary Review Denied
March 15, 2006.

Appeal from Franklin Circuit Court, Action No. 02-CI-01177; [William L. Graham](#), Judge.

Attorneys and Law Firms

[Charles Robert Hedges](#), Russellville, KY, for appellant.

[Deborah T. Eversole](#), John E.B. Pinney, Public Service Commission, Frankfort, KY, for appellee, Public Service Commission.

[John N. Hughes](#), Frankfort, KY, for appellees, East Logan and North Logan Water Districts.

Before [DYCHE](#), [GUIDUGLI](#) and [McANULTY](#), Judges.

OPINION

[GUIDUGLI](#), Judge.

*1 The City of Russellville appeals from an opinion and

order of the Franklin Circuit Court affirming a final order of the Kentucky Public Service Commission. The Public Service Commission's order voided a rate increase on the sale of water by Russellville to various water districts. For the reasons stated herein, we affirm the opinion and order of the Franklin Circuit Court.

The City of Russellville provides water service to local retail customers and to several water districts. On May 24, 1999, the city council of Russellville passed an ordinance seeking to increase its water and sewer service rates. On March 20, 2001, it filed a cost-of-service study with the Public Service Commission ("PSC") for the purpose of justifying a rate increase from \$1.55 to \$2.45 per 1,000 gallons of water sold. The water districts to which Russellville sold water received a copy of the study and a letter advising them of the proposed change.

On April 23, 2001, the PSC sent to Russellville a letter acknowledging receipt of the study. The letter included a copy of the study stamped with language indicating that the rate increase had been approved. A subsequent e-mail from the PSC to Russellville confirmed that Russellville was authorized to implement the proposed rate increase on or after April 21, 2001.

On July 9, 2001, the water districts filed a complaint with the PSC alleging that Russellville failed to comply with PSC regulations for rate increases. They also alleged that the proposed rate was violative of the parties' contract and did not represent the actual cost of service. Pending resolution of the complaint, the water districts established an escrow account into which the proposed increase was paid. On October 5, 2001, the PSC rendered an order stating that "it appears that Russellville's April 21, 2001 rate increase is filed pursuant to [KRS 278.180](#)."

On July 3, 2002, the PSC rendered a final order voiding the \$2.45 rate. As a basis for the order, the PSC opined that Russellville failed to comply with [KRS 96.355\(1\)\(a\)](#), which it interpreted as requiring Russellville to enact an ordinance or otherwise approve the rate before filing a rate change (the "ordinance theory").

Russellville appealed to the Franklin Circuit Court. Upon taking proof, the court concluded that the PSC improperly interpreted [KRS 96.355\(1\)\(a\)](#) as requiring a city to follow specific procedural guidelines before filing for a rate change. It went on to find unlawful the PSC's requirement that Russellville enact an ordinance precisely identifying the proposed rate increase before applying for the increase, since no PSC regulation exists which requires this action. However, the circuit court affirmed the final

order of the PSC based upon several other legal reasons which will be addressed below. This appeal followed.

Russellville argues that the trial court erred in affirming the PSC's order voiding the rate increase. While noting that the trial court properly found the PSC's "ordinance theory" to be unsupported by the law, it argues that the court incorrectly concluded that the water districts were denied due process of law. Russellville also maintains that the new rate became effective on April 21, 2001, and cannot be changed retroactively by the PSC. In support of this argument, it points to the "filed rate doctrine", which precludes a collateral attack on rates filed with a regulatory agency. It seeks an order reversing the order of the Franklin Circuit Court and finding the April 21, 2001, rate to be effective until it was lawfully replaced by another rate on July 3, 2002.

*2 Having closely examined the record and the law, we find no basis for reversing the order of the Franklin Circuit Court. On Russellville's first claim of error, i.e., that the trial court erred in concluding that the water districts were denied due process of law, we find no error. The trial court found that Russellville failed to comply with the notice provisions of [KRS 278.180](#) and [807 KAR 5:011\(8\)](#), and that these violations resulted in harm to the water districts because they apparently did not believe that \$2.45 per 1,000 gallons was the filed rate.

[KRS 278.180](#) states,

(1) Except as provided in subsection (2) of this section, no change shall be made by any utility in any rate except upon thirty (30) days' notice to the commission, stating plainly the changes proposed to be made and the time when the changed rates will go into effect. However, the commission may, in its discretion, based upon a showing of good cause in any case, shorten the notice period from thirty (30) days to a period of not less than twenty (20) days. The commission may order a rate change only after giving an identical notice to the utility. The commission may order the utility to give notice of its proposed rate increase to that utility's customers in the manner set forth in its regulations.

(2) The commission, upon application of any utility, may prescribe a less time within which a reduction of rates may be made.

[807 KAR 5:011](#) also sets forth a number of notice requirements, including the requirement that the districts receive notice of their right to intervene before the PSC to challenge the proposed rate.

The circuit court concluded that Russellville's notice to the water districts was not adequate and did not comport

with the statutory and regulatory requirements. This conclusion is presumptively correct, and the burden rests with Russellville to overcome it. *City of Louisville v. Allen, Ky.*, 385 S.W.2d 179 (1964). They have not met this burden. Though they cite to minutes of meetings indicating that the districts were aware of the possibility of a rate change, and contend that any statutory and regulatory violations were minor oversights, they do not direct out attention to anything in the record upon which we may conclude that the circuit court erred in determining that the statutory and regulatory notice requirements were not satisfied. And as the PSC properly notes, Russellville makes no claim that it filed the requisite information. As such, we find no error on this issue.

Russellville also argues that the rate approved by the PSC to be effective on April 21, 2001, was at all relevant times the "filed rate" and could not be changed retroactively by the PSC. It maintains that in June, 2001, the PSC accepted a formal tariff setting forth this rate, and that its October 5, 2001, order recognized that the rate was the filed rate for the service. Russellville relies on the filed rate doctrine, which precludes a collateral attack on rates filed with a regulatory agency. It argues that this doctrine requires a rate challenge to have effect, if at all, prospectively and not retroactively. It argues that the PSC had no legal basis for its July 3, 2002, final order voiding the \$2.45 rate, since the new rate already was final and therefore not subject to retroactive change.

*3 Having thoroughly reviewed this matter and especially, the oral arguments presented herein, it is obvious that the PSC and its employees are primarily responsible for the dilemma we find here. Russellville failed to comply with statutory and regulatory notice requirements. But the PSC erred in giving Russellville the perception that its proposed rate increase would be certified and would become the "filed rate." The PSC tariff review branch erred in issuing the April 21, 2001, letter which indicated "an accepted copy [of Contract filing No. C 62-6416 of wholesale rate increase to the districts] is enclosed for your files" because the letter also indicated that the "file tariff" pages setting out the rates to be charged to the districts were *not* attached. Without the "file tariff" pages enclosed, Russellville had failed to comply with the statutory and regulatory notice requirement and its proposed rate increase could not be approved. The PSC compounded its error by issuing the October 5, 2001, order which stated in relevant part:

Upon review of the record, it *appears* that Russellville's April 21, 2001 rate increase is the filed rate pursuant to [KRS 278.160](#). Moreover, even if the technical notice requirements upon which [the water

districts] rely apply to a city, failure to comply with them would not render a rate unfair, unjust, and unreasonable. Nevertheless, because [the water districts] object to the rate itself, as well as to the form of the notice they received, the disputed amounts should not at this time be paid directly to Russellville, particularly as it has suggested the creation of an escrow account. (Emphasis added).

Russellville maintains that once the PSC accepted and approved its request as the “filed rate”, then nothing could be done to retroactively invalidate that rate. It relies heavily on *Chandler v. Anthem Ins. Companies, Inc.*, 8 S.W.3d 48 (Ky.App., 1999), to argue that once a rate becomes the filed rate then that rate is not subject to collateral attack or retroactive change even if procured by unfair, false, misleading or deceptive practices. In the *Anthem* case, this Court defined filed rate and explained some of its history as follows:

The insurance companies maintain that, even if the Attorney General’s allegations are true, the “filed rate doctrine” shields them from liability. In general terms, the filed rate-or filed tariff-doctrine provides that tariffs duly adopted by a regulatory agency are not subject to collateral attack in court. This preclusion is said to ensure both that regulatory rates are nondiscriminatory (rate-payers who bring suit will not obtain rates more favorable than those who do not), and that the agency’s “primary jurisdiction” in the area of its expertise is upheld. *Woodland Ltd. v. NYNEX Corp.*, [27 F.3d 17 (2nd Cir.1999)]. The doctrine received one of its earliest expressions in *Keogh v. Chicago & Northwestern Ry.*, 260 U.S. 156, 43 S.Ct. 47, 67 L.Ed. 183 (1922). In that case, a Minnesota manufacturer and shipper sought damages from an association of railroads for having collusively set excessive shipping fees in violation of the antitrust laws. The Supreme Court ruled that, even if the alleged conspiracy could be proved, the shipper had no cause of action for damages because the Interstate Commerce Commission had approved the allegedly excessive rates and had determined them to be reasonable and non-discriminatory. To recognize the plaintiff’s claim, Justice Brandeis explained, would require a court to second-guess the Commission and would thus tend to undermine the regulatory scheme adopted by Congress.

*4 The legal rights of shipper as against carrier in respect to a rate are measured by the published tariff. Unless and until suspended or set aside, this rate is made, for all purposes, the legal rate, as between carrier and shipper. The rights as defined by the tariff cannot be varied or enlarged by either contract or tort of the carrier.

Keogh v. Chicago & Northwestern Ry., *supra*, at 163, 260 U.S. 156, 43 S.Ct. at 49, 67 L.Ed. 183 at (citation omitted). The purpose of the field rate doctrine, in other words,

Is to preserve the authority of the legislatively created agency to set reasonable and uniform rates and to insure that those rates are enforced, thereby preventing price discrimination.

Sun City Taxpayers’ Association v. Citizens Utilities Company, 847 F.Supp. 281, 288 (1994) (citations omitted).

The filed rate doctrine, therefore,

Prohibits a ratepayer from recovering damages measured by comparing the filed rate and the rate that might have been approved absent the conduct in issue.

Id. at 288.

...

We agree with the appellees that the filed rate doctrine although not heretofore applied in Kentucky by name, has nevertheless been recognized in Kentucky in principle. See *Boone County Sand and Gravel Company, Inc. v. Owen County Rural Electric Cooperative Corporation*, Ky.App., 779 S.W.2d 224 (1989) (holding that the appellant was liable for undercharges based upon the filed rate despite the appellee’s apparent negligence in not charging the correct amount); see also *Big Rivers Electric Corporation v. Thorpe*, 932 F.Supp. 460, 464-65 (W.D.Ky.1996) (noting in the context of regulated utilities, that Kentucky’s statutory and case law “clearly set[s] forth the underlying principles of the filed rate doctrine ...”).

Anthem, 8 S.W.3d at 51-53. The *Anthem* Court concluded that the filed rate doctrine bars ratepayers from seeking damages for approved but allegedly improper rates.

We believe the real issue herein is whether or not Russellville’s proposed rate increase became the filed rate. If it did, then the districts are bound by it even though it was improperly granted by the PSC. But our review does not lead us to the conclusion that the proposed rate actually became the filed rate.

The April 21, 2001, letter clearly states that the filed tariff pages setting out the rates to be charged was *not* attached. The statutory and regulatory scheme requires the tariff pages to be included for any increase request. Thus, we

deem the April 21, 2001, letter as notice that the rate increase would be accepted *if and when* Russellville complied with all mandatory regulations. Also, the October 5, 2001, order does not state that the April 21, 2001, rate increase *is* the filed rate pursuant to [KRS 278.160](#), but only that it appears to be such. By using the word “appears” the order has no binding effect in effectuating the filed rate. We believe the use of the word “appears” clearly reflects the PSC admission of its mistake in issuing the letter prior to receiving the filed tariff pages and prior to Russellville’s full compliance with the applicable laws and regulations. While we acknowledge that the PSC and not Russellville caused this regrettable situation in which either Russellville or the districts will suffer a substantial economic loss, we believe Russellville’s failure to comply with its statutory and regulatory obligations and its failure to file the required tariff pages cannot be ignored. Had Russellville

filed the necessary tariff pages with its application and then the PSC issued the April 21, 2001, letter without additional conditions to be fulfilled, the result would have been different.

*5 For the foregoing reasons, we affirm the opinion and order of the Franklin Circuit Court affirming the final order of the Kentucky Public Service Commission.

ALL CONCUR.

All Citations

Not Reported in S.W.3d, 2005 WL 385077

ORDINANCE NUMBER 2023-19

**AN ORDINANCE OF THE CITY OF HARRODSBURG, KENTUCKY AMENDING
CODE OF ORDINANCES TITLE V: PUBLIC WORKS, SECTION 51, GENERAL
WATER AND SEWER PROVISIONS, SECTION 51.03 B, WATER RATES**

WHEREAS, the Board of Commissioners of the City of Harrodsburg desires to amend the General Water and Sewer Provisions, Section 51.03, which were last comprehensively updated by Ordinance 2022-08 and;

WHEREAS, the City of Harrodsburg has updated their infrastructure and has several loans to Rural Development and Kentucky Infrastructure Authority. Additional revenues are needed in order to meet the minimum qualifications on the letter on conditions to pay the debt service on the loans;

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY OF HARRODSBURG THAT THE FOLLOWING RATES BE ADOPTED;

(B) Specifically,

(1) Minimum water rate. The minimum water bill shall be [~~\$13.12~~] **\$13.97** per month, and each water customer shall be entitled to 250 cubic feet of water consumption per month to customers of all size connections, except for any contractual arrangements with specific customers for additional surcharges.

{Number of Cubic Feet of water per month}	{Minimum Monthly Charge}
{First 250}	[\$13.12 minimum charge]
{Next 750}	[\$4.98 per 100 cubic feet]
{Next 3,000}	[\$4.32 per 100 cubic feet]
{Next 6,000}	[\$3.67 per 100 cubic feet]
{Next 25,000}	[\$3.13 per 100 cubic feet]
{Next 25,000}	[\$2.61 per 100 cubic feet]
{All over 60,000}	[\$2.09 per 100 cubic feet]

Effective July 1, 2023 CPI 6.5% increase

<u>Number of Cubic Feet of water per month</u>	<u>Minimum Monthly Charge</u>
<u>First 250</u>	<u>\$13.97 minimum charge</u>
<u>Next 750</u>	<u>\$5.30 per 100 cubic feet</u>
<u>Next 3,000</u>	<u>\$4.60 per 100 cubic feet</u>
<u>Next 6,000</u>	<u>\$3.91 per 100 cubic feet</u>
<u>Next 25,000</u>	<u>\$3.33 per 100 cubic feet</u>
<u>Next 25,000</u>	<u>\$2.78 per 100 cubic feet</u>
<u>All over 60,000</u>	<u>\$2.23 per 100 cubic feet</u>

(2) Meter rates for water usage in addition to minimum charge. Subject to the minimum monthly water rate specified above, the following metered charges shall be made for each 100 cubic feet of water consumption per month to customers of all size connections, except for any contractual arrangements with specific customers for additional surcharges.

(3) At the beginning of each fiscal year, the Water rates will be adjusted in accordance with the annual CPI (Consumer Price Index) which is maintained and reported by the U.S. Department of Labor, Business of Labor Statics.

(4) Each customer's bill will include a \$1.50 surcharge which will be used to fund future infrastructure projects.

This ordinance shall be effective on upon its passage, approval, and publication as required by law.

Passed 1st Reading: June 12, 2023

Passed 2nd Reading:

Published:

Mayor or Mayor Pro Tem
City of Harrodsburg

Attest:

Shavonna Huffman, City Clerk/Treasurer

*City of Harrodsburg Water Dept.
208 South Main Street
Harrodsburg, KY 40330

*M. Todd Osterloh
Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street
Suite 1400
Lexington, KENTUCKY 40507