

**MARION COUNTY WATER DISTRICT  
1835 CAMPBELLSVILLE ROAD  
P O BOX 528  
LEBANON, KY 40033**

Telephone: 270-692-2004  
Fax: 270-692-1010  
TTY 1-800-648-6956 or 711

March 12, 2007

**RECEIVED**

MAR 14 2007

PUBLIC SERVICE  
COMMISSION

Ms. Beth O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
PO Box 615  
Frankfort, Kentucky 40602

RE: Formal Application to Increase Rates Pursuant to  
Purchased Water Adjustment Regulation 807 KAR 5:068

Dear Ms. O'Donnell

*Case No. 2007-00109*

This is an application to increase rates in accordance with Purchased Water Adjustment regulation. The District has received an increase from its supplier, Lebanon Water Works Co., Inc. This rate was approved by the Public Service Commission for services rendered on or after April 1, 2007.

A copy of the notice to be published is enclosed. The District will publish the notice in accordance with Commission regulations and will provide verification that such notice has been given.

Should you have any questions you may contact me at (270) 692-2004.

Sincerely,

*Barbara R. May*

Barbara R. May, Chairman  
Marion County Water District

BRM/dsb

Enclosures

**Marion County Water District is an Equal Opportunity Provider and Employer**  
Complaints of discrimination should be sent to:  
USDA, Director, Office of Civil Rights, Washington, D. C. 20240-9410

PURCHASED WATER ADJUSTMENT FOR  
 WATER DISTRICTS AND ASSOCIATIONS  
 (807 KAR 5:068)

**RECEIVED**

MAR 14 2007

PUBLIC SERVICE  
 COMMISSION

Marion County Water District  
 (Name of Utility)

3-12-07  
 (Date)

1835 Campbellsville Road  
 (Address)

Lebanon, Kentucky 40033  
 (City, State)

(270) 692-2004  
 (Telephone Number)

*Case No. 2007-00109*

1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

<u>Supplier(s)</u>	<u>Base Rate</u>	<u>Changed Rate</u>
<u>City of Lebanon</u>	<u>\$2.07 (\$1.55/100ft<sup>3</sup>)</u>	<u>\$2.86 (\$2.14/100ft<sup>3</sup>)</u>
_____	_____	_____
_____	_____	_____

- 1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit A.
2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From January 2006 through December 2006.  
(month and year) (month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
<u>City of Lebanon</u>	<u>446,193,819</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
TOTAL PURCHASES	<u>446,193,819</u>

4. Total sales for the 12 month period 379,971,233.

5. Increased water cost \$352,493.00.

The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

$$446,194 \times \$2.86 = \$1,276,115.00$$

$$446,194 \times \$2.07 = \$ 923,622.00$$

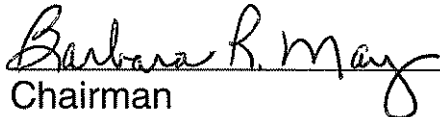
$$\text{Increase} = \$ 352,493.00$$

6. Purchased water adjustment factor \$0.93 per thousand gallons.

The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.

Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.

7. Proposed effective date May 1, 2007.

  
Chairman

FOR Marion County, Kentucky and Southern  
Portion of Nelson County  
Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

Marion County Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

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RATES AND CHARGES

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CONSUMER RATES:

First 1,000 Gallons	\$11.04 Minimum Bill
Over 1,000 Gallons	\$ 4.38 Per 1,000 Gallons

MINIMUM MONTHLY CHARGE:

5/8 X 3/4 Inch Meter	\$11.04 Minimum Bill
5/8 X 1 Inch Meter	\$18.74 Minimum Bill
5/8 X 2 Inch Meter	\$27.10 Minimum Bill

METER RECONNECTIONS:

CHARGE

5/8 X 3/4 Inch Meter	\$500.00
All Large Meters	Actual Cost

Fire Hydrants (Non-Metered 6 Inch Connect)	\$7.50 per month
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DATE OF ISSUE \_\_\_\_\_  
Month / Date / Year

DATE EFFECTIVE May 1, 2007  
Month / Date / Year

ISSUED BY Barbara R. May  
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

## Lebanon Water Works Co., Inc.

120 S. Proctor Knott Avenue  
Lebanon, Kentucky 40033  
(270) 692-2491  
Fax (270) 692-6413  
TTY (800) 648-6056

### NOTICE

The City of Lebanon has filed a proposed rate schedule that will change and increase the rate charged to the Marion County Water District. The City of Lebanon currently charges Marion County Water District the following rates:

Meter Charge - \$5.75 per month, per meter  
O&M Charge - \$1.55 per 100 cubic feet of water

The City of Lebanon proposes to charge Marion County Water District the following rate for water service effective April 1, 2007:

Meter Charge - \$6.00 per month, per meter  
O&M Charge - 2.14 per 100 cubic feet of water

The rates contained in this notice are the rates proposed by the City of Lebanon. The Kentucky Public Service Commission, however, may order rates to be charged that differ from the proposed rates contained in this notice.

Any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate application and any other filings made by the City of Lebanon by contacting Lisa Mattingly, Utility Clerk, 120 South Proctor Knott Avenue, Lebanon, Kentucky 40033, 270/692-2491.

Any person may examine the City of Lebanon's rate application and any other filings at its main office at 120 South Proctor Knott Avenue, Lebanon, Kentucky or at the Public Service Commission's Offices at 221 Sower Blvd., Frankfort Kentucky 40602.

**Lebanon Water Works Co., Inc.**

120 S. Proctor Knott Avenue  
Lebanon, Kentucky 40033  
(270) 692-2491  
(270) 692-6413 (fax)  
TTY (800) 648-6056

**CERTIFIED MAIL**

February 20, 2007

Ms. Barbara May, Chairman  
Marion County Water District  
1835 Campbellsville Road  
PO Box 528  
Lebanon, KY 40033

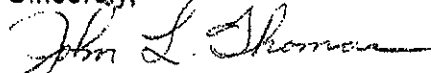
RE: Wholesale Water Rate

Dear Ms. May:

Enclosed is the notice of the water rate schedule change by the City of Lebanon to the Marion County Water District. We are submitting this notice simultaneously to the Kentucky Public Service Commission. The City is proposing to charge the new rate effective April 1, 2007.

The City looks forward to continuing its mutually beneficial relationship with Marion County Water District. If you have any questions please feel free to contact me at 270.692.2491.

Sincerely,



John L. Thomas,  
Superintendent  
Lebanon Water Works Company, Inc.

cc: Kentucky Public Service Commission

# NOTICE

Notice is hereby given that because of an increase in the cost of water purchased from the Lebanon Water Works Co., Inc., the Marion County Water District will increase its rates for services rendered on and after April 1, 2007. An application has been filed with the Kentucky Public Service Commission to increase rates as follows:

## CURRENT RATES

First	1,000 gallons	\$10.11 Minimum Bill
Next	9,000 gallons	3.53 per 1,000 gallons
Next	90,000 gallons	2.99 per 1,000 gallons
Over	100,000 gallons	2.88 per 1,000 gallons

5/8-Inch X 3/4-Inch Meter	\$10.11 Minimum Bill
5/8-Inch X 1-Inch Meter	\$17.81 Minimum Bill
5/8-Inch X 2-Inch Meter	\$26.17 Minimum Bill

## PROPOSED RATES

First	1,000 gallons	\$11.04 Minimum Bill
Over	1,000 gallons	4.38 per 1,000 gallons

5/8-Inch X 3/4-Inch Meter	\$11.04 Minimum Bill
5/8-Inch X 1-Inch Meter	\$18.74 Minimum Bill
5/8-Inch X 2-Inch Meter	\$27.10 Minimum Bill

Based on the increased cost of water from the Lebanon Water Works Co., Inc., all rates will increase \$0.93 per 1,000 gallons.

The charges/rates contained in this notice are the charges/rates proposed by the Marion County Water District. However, the Public Service Commission may order charges/rates to be charged that differ from these proposed charges/rates. Such action may result in charges/rates for consumers other than the charges/rates in this notice.

Any corporation, association, body politic, or person may, by motion within thirty (30) days after publication of this fee change, request leave to intervene; and the motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, Post Office Box 615, Frankfort, KY 40602, and shall set forth the grounds for the request including the status and interest of the party.

Intervenors may obtain copies of the application and related filings by contacting the Water District.

The Water District has available for inspection at its office the proposed changes to its Rules and Regulations. The Water District office is located at 1835 Campbellsville Road, Lebanon, KY 40033.

This notice is published pursuant to 807 KAR 5:011-Tariffs.

Marion County Water District



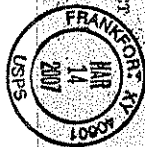
7005 1LE0 0003 3786 539A



RETURN RECEIPT  
REQUESTED



MARION COUNTY WATER DISTRICT  
P O BOX 528  
LEBANON KY 40033



To  
BETH O'DONNELL  
KENTUCKY PUBLIC SERVICE COMMISSION  
P O BOX 615  
FRANKFORT KY 40602

U.S. POSTAGE  
MARION, KY  
MAR 13 07  
PM00NT  
\$8.30  
00052633-01

RECEIVED  
MAR 14 2007  
PUBLIC SERVICE  
COMMISSION