

**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

RECEIVED

JUL 24 2018

**PUBLIC SERVICE
COMMISSION**

July 23, 2018

Ms. Gwen R. Pinson
Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY 40602

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

Dear Ms. Pinson:

The Marion County Water District respectfully requests that the Commission allow for an adjustment to our rates in accordance with 807 KAR 5:068 Purchased Water Adjustment clause.

Per order of the Commission in Case No. 2017-00417, the Lebanon Water Works Company will increase meter service charges by \$5.88 per month and decrease their volumetric wholesale rate by \$0.45 per 100 cubic feet (\$0.6016 per 1000 gallons). These rate changes were effective July 12, 2018. The result of these changes is a \$273,949.95 decrease in annual supply cost for the District. This translates into \$0.70 per 1000 gallons of water sold to our customers. Therefore, we propose to decrease our rates by that amount.

The following supporting documentation is enclosed for your review:

Exhibit A – Purchase Water Rate Adjustment

Exhibit B – Copy of Appendix B of the Commission Order in Case No. 2017-00417

(PSC prescribed Rates of the Lebanon Water Work Company to Marion County Water District)

Exhibit C – Statement of Water Purchased

Exhibit D – Statement of Water Sold

Exhibit E – Notice to Customers

Exhibit F – Revised Tariff Sheet

Exhibit G – Resolution of the Board of Commissioners formally authorizing the proposed rates.

The Notice to Customers will be published in accordance with Commission regulations and verification of its publication will be provided to the Commission.

Should you have any questions please contact Lee Mudd at (502) 839-1310, as he is handling this matter on behalf of the District.

Sincerely,



Jeff Preston, Chairman

JP/jlm

JUL 24 2018

PUBLIC SERVICE
COMMISSION

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

Name of Utility	Marion County Water District		
Date	7/23/18		
Address	P.O. Box 528		
City, State, Zip	Lebanon, Kentucky	40033	
Telephone Number	(270) 692-2004		

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.

Supplier(s)	Base Rate	Changed Rate
Lebanon Water Works Company	Monthly Meter Service Charge: \$88.20 (Twelve (12) meters @ \$7.35 per meter) Rate per 100 Cubic Feet: \$3.35 <i>Equivalent Rate per 1,000 gallons: \$4.4783</i>	Monthly Meter Service Charge: \$94.08 (Twelve (12) meters @ \$7.84 per meter) Rate per 100 Cubic Feet: \$2.90 <i>Equivalent Rate per 1,000 gallons: \$3.8767</i>
Campbellsville Municipal Water & Sewer	Rate per 1000 gallons: \$1.97	No Change

1.b. A copy of the supplier's notice of the changed rates showing the effective date of the increases are attached as Exhibit B.

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	July 2017	through	June 2018
	(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
Lebanon Water Works Company	455,486,223
Campbellsville Municipal Water & Sewer	3,556,400
TOTAL PURCHASES	459,042,623

4. Total sales for the 12 month period 388,514,587

5. Increased water cost (\$273,949.95) **Decrease**

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

6. Purchased water adjustment factor (\$0.70) **Decrease**

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 July 12, 2018



Signature of Utility Officer

Chairman
Title

Increased Water Cost Calculation:

Lebanon Water Works Company

$$(12 \times \$94.08) + (455,486.223 \times \$3.8767) = \$1,766,912.40$$

$$(12 \times \$88.20) + (455,486.223 \times \$4.4783) = \$2,040,862.35$$

$$\text{Increased (Decreased) Water Cost} = (\$273,949.95)$$

Purchased Water Adjustment Factor Calculation:

$$\text{Decreased Cost of Water} = \$273,949.95$$

$$\text{Total Gallons Sold} = 388,514,587$$

$$(\$273,949.95) / 388,514.587 = \$0.70 \text{ per 1000 Gallons}$$

(Decrease)

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2017-00417 DATED JUL 12 2018

The following rates and charges are prescribed for the customers in the area served by Lebanon Water Works Company. 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.

Marion County Water District Rates

Meter Charge, per meter per month	\$7.84
Volume Charge per 100 Cubic Feet	\$ 2.90
Rate Case Expense Surcharge for 36 Months	\$2,000.00 Per Month

**STATEMENT OF WATER PURCHASED
MARION COUNTY WATER DISTRICT**

LEBANON WATER WORKS COMPANY

Month	Usage/Gallons	Total Cost
July 2017	35,869,741	119,957.67
August	42,921,886	143,525.94
September	39,466,126	131,976.79
October	38,768,092	129,643.96
November	35,537,181	118,846.26
December	35,475,920	118,641.52
January	38,735,030	129,533.47
February	37,853,887	126,588.69
March	33,008,193	110,394.38
April	36,863,235	123,287.00
May	36,958,156	165,609.37
June 2018	44,028,776	197,275.92
TOTAL	455,486,223	\$1,615,280.99

CAMPBELLSVILLE MUNICIPAL WATER & SEWER

Month	Usage/Gallons	Total Cost
July 2017	372,900	734.61
August	282,800	557.12
September	309,500	609.72
October	346,100	681.82
November	297,200	585.48
December	333,200	656.40
January	298,100	587.26
February	361,500	712.16
March	246,000	484.62
April	176,100	400.91
May	253,900	554.19
June 2018	279,100	603.83
TOTAL	3,556,400	\$7,168.11

**STATEMENT OF WATER SOLD
MARION COUNTY WATER DISTRICT**

Month	Residential	Commercial	Other	Total Gallons Sold
July 2017	26,740,116	4,605,002	374,442	31,719,560
August	28,267,308	8,981,179	421,170	37,669,657
September	24,288,962	8,240,658	705,512	33,235,132
October	23,603,353	8,196,686	741,817	32,541,856
November	23,453,137	7,742,155	733,010	31,928,302
December	22,669,539	7,511,924	605,209	30,786,672
January	24,615,573	5,715,502	516,070	30,847,145
February	25,553,113	6,548,188	561,629	32,662,930
March	20,353,266	6,443,616	580,218	27,377,100
April	24,544,626	6,630,758	511,560	31,686,944
May	22,940,667	7,004,325	732,509	30,677,501
June 2018	28,784,295	7,890,890	706,603	37,381,788
TOTAL	295,813,955	85,510,883	7,189,749	388,514,587

LEGAL NOTICE REGARDING THE MARION COUNTY WATER DISTRICT

Notice is hereby given that because of a decrease in the cost of water purchased from the Lebanon Water Works Company, the Marion County Water District will decrease its rates for services effective July 12, 2018. An application requesting the proposed rates was filed with the Kentucky Public Service Commission on July 23, 2018 to decrease rates as follows:

	<u>Existing Rates</u>	<u>Proposed Rates</u>	<u>Decrease (\$)</u>	<u>Decrease (%)</u>
<u>Customer Charge (Minimum Bill)</u>				
5/8 Inch x 3/4 Inch Meter	\$7.45	\$7.45	NC	NC
1 Inch Meter	\$16.20	\$16.20	NC	NC
2 Inch Meter	\$25.68	\$25.68	NC	NC
3 Inch Meter	\$40.73	\$40.73	NC	NC
4 Inch Meter	\$64.60	\$64.60	NC	NC
6 Inch Meter	\$162.59	\$162.59	NC	NC
<u>Water Charge</u>				
All Usage, per 1000 gallons:	\$6.98	\$6.28	\$0.70	10.03%

As noted above, based on the decreased cost of water from the Lebanon Water Works Company all rates will decrease by \$0.70 per 1,000 gallons. The monthly bill for an average residential customer using 5,343 gallons of water each month will decrease from 44.74 to \$41.00. This is a decrease of \$3.74 or 8.36%.

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 detailed in this notice.

Any person may examine this application at the offices of the Marion County Water District office located at 1835 Campbellsville Road, Lebanon, KY 40033. In addition, any person may also examine the application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's website at <http://psc.ky.gov>. Any comments regarding the application may be submitted to the Public Service Commission through its website or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602. The Public Service Commission can also be contacted at 502-564-3940.

This notice is published pursuant to 807 KAR 5:068 - Purchased Water Adjustment for Water Districts and Water Associations.

MARION COUNTY WATER DISTRICT

s/ Jeff Preston, Chairman

FOR ALL AREAS SERVED

P.S.C. KY. NO. 3

SHEET NO. 1

Marion County Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

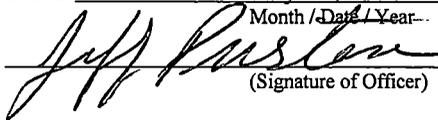
SHEET NO. _____

RATES & CHARGES

	RATE PER UNIT	
Customer Charge, minimum bill		
5/8 Inch x 3/4 Inch Meter	\$7.45	
1 Inch Meter	\$16.20	
2 Inch Meter	\$25.68	
3 Inch Meter	\$40.73	
4 Inch Meter	\$64.60	
6 Inch Meter	\$162.59	
Water Charge		
All Usage, Per 1,000 Gallons	\$6.28	(D)
Meter Connections		
5/8 Inch x 3/4 Inch Meter	\$865.00	
All Larger Meters	Actual Cost	
Fire Hydrants (Non-Metered 6 Inch Connect), per month	\$7.50	

DATE OF ISSUE July 23, 2018
Month / Date / Year

DATE EFFECTIVE July 12, 2018
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE Chairman

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

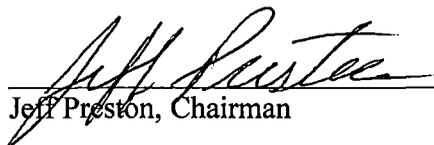
RESOLUTION OF AUTHORIZATION

The Marion County Water District hereby orders a decrease in the District's rates for service pursuant to 807 KAR 5:068: Purchased Water Adjustment Regulation. This action is required due to a decrease in the cost of water purchased from the Lebanon Water Works Company effective on July 12, 2018 as ordered by the Public Service Commission. The terms of the rate decrease shall be consistent with the District's application to the Public Service Commission to be submitted on or after July 23, 2018. The rates proposed therein shall become effective for service rendered on or after July 12, 2018.

Action herein ordered shall be duly recorded in the minutes of this public meeting of the Marion County Water District held on this 23rd day of July, 2018.

Ordered this the 23rd day of July, 2018.

Signed:



Jeff Preston, Chairman

Attest:



Everett Thomas, Secretary