

**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**

**OCT 16 2019**

**PUBLIC SERVICE  
COMMISSION**

October 16, 2019

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.

The District was recently notified by its supplier, Lebanon Water Works Company, that it will increase its volumetric wholesale rate by \$0.17 per 100 cubic feet (\$0.2273 per 1000 gallons). This increase will become effective on November 15, 2019. The result of the increase is \$100,484.85 in additional annual supply cost for the District. This translates into \$0.28 per 1000 gallons of water sold to our customers. Therefore, we propose to increase our rates by that amount.

The following supporting documentation is enclosed for your review:

- Exhibit A – Purchase Water Rate Adjustment
- Exhibit B – Copy of Lebanon Water Works Company Notice of an Increase in Wholesale Rates
- 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,

  
Jimmy Mudd, Manager

JM/jlm

**RECEIVED**

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

OCT 16 2019

PUBLIC SERVICE  
COMMISSION

Name of Utility	Marion County Water District	
Date	10/16/19	
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: \$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>	Monthly Meter Service Charge: \$94.08 (Twelve (12) meters @ \$7.84 per meter)  Rate per 100 Cubic Feet: \$3.07  <i>Equivalent Rate per 1,000 gallons: \$4.1040</i>
Campbellsville Municipal Water & Sewer	Rate per 1000 gallons: \$2.35	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	September 2018	through	August 2019
	(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	442,080,305
Campbellsville Municipal Water & Sewer	3,469,800
<b>TOTAL PURCHASES</b>	<b>445,550,105</b>

4. Total sales for the 12 month period 366,952,020

5. Increased water cost \$100,484.85

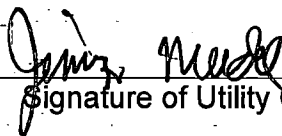
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

6. Purchased water adjustment factor \$0.28

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 November 15, 2019



Signature of Utility Officer

Manager

Title

**Increased Water Cost Calculation:**

**Lebanon Water Works Company**

$$(12 \times \$94.08) + (442,080.305 \times 4.1040) = \$1,815,426.53$$

$$(12 \times \$94.08) + (442,080.305 \times \$3.8767) = \$1,714,941.68$$

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$$\text{Increased Water Cost} = \$100,484.85$$

**Purchased Water Adjustment Factor Calculation:**

$$\text{Increased Water Cost} = \$100,484.85$$

$$\text{Total Gallons Sold} = 366,952,020$$

$$\$100,484.85 / 366,952.020 = \$0.2738 \text{ per 1000 Gallons}$$

$$= \$0.28 \text{ per 1000 Gallons}$$

## CUSTOMER NOTICE

Lebanon Water Works Company (“Lebanon Water”) is providing notice that it plans to file with the Public Service Commission, on October 15, 2019, to increase its water rates to the Marion County Water District effective for water service on and after November 15, 2019. The proposed rates are as follows:

	Current Rate	Proposed Rate	\$ Difference	% Difference
Meter Charge (monthly per meter)	\$7.84	\$7.84	No change	N/A
Volume Charge (per 100 cubic feet)				
Step 1	\$2.90	\$3.07	\$0.17	5.86% increase
Step 2	\$3.07	\$3.25	\$0.18	5.86% increase

Marion County Water District purchased 597,771 hundred cubic feet of water from Lebanon Water during the Test Year (FY ending 6-30-19). Its average monthly purchases were 49,814 hundred cubic feet. It purchases water through 12 master meters. Under the current rates, Marion County Water District’s average monthly bill for both water consumption and meter charges is \$144,555.

The **Step 1** rate increase will cause Marion County Water District’s average monthly bill for both water consumption and meter charges to increase from \$144,555 to \$153,023. This is an increase of \$8,468 or 5.86%.

The **Step 2** rate increase will cause Marion County Water District’s average monthly bill for both water consumption and meter charges to increase from \$153,023 to \$161,989. This is an increase of \$8,966 or 5.86%.

This filing may be examined at the offices of Lebanon Water located at 120 S. Proctor Knott Avenue, Lebanon, Kentucky 40033. Please contact Daren Thompson, Operations & Management Superintendent, at (270) 692-2491 regarding any questions related to the proposed rates.

The filing may also be examined at the offices of the Public Service Commission located at 211 Sower Boulevard in Frankfort, Kentucky, Monday – Friday from 8:00 am – 4:30 pm or on the Commission website at <http://psc.ky.gov>.

Comments regarding this filing may be submitted by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602; or through its website at <http://psc.ky.gov>.

The new rates are the rates proposed by Lebanon Water in its filing, but the Public Service Commission may order rates that differ from the proposed rates contained in this Customer Notice.

Intervention by Marion County Water District or another person with a substantial interest may be requested by submitting a timely written request for intervention by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602. The request for intervention must establish the grounds for the request including the status and interest of the party.

If the Public Service Commission does not receive a written request prior to the effective date of the proposed rates, the Public Service Commission may take final action on the proposed rates.

FOR Marion County Water District  
Community, Town or City

P.S.C. KY. NO. 1

Second Revised SHEET NO: 1

CANCELLING P.S.C. KY. NO. 1

First Revised SHEET NO. 1

Lebanon Water Works Company  
(Name of Utility)

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CLASSIFICATION OF SERVICE

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**Marion County Water District Water Rates**

Meter Charge, per meter per month \$ 7.84

Volume Charge per 100 Cubic Feet

Step 1 (Effective November 15, 2019) \$3.07 (I)

Step 2 (Effective September 15, 2020) \$3.25 (I)

Monthly Rate Case Expense Surcharge \$2,000.00  
(July 2018 through June 2021)  
(Pursuant to PSC Order dated 7-12-2018  
in Case No. 2017-00417)

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DATE OF ISSUE October 14, 2019  
Month / Date / Year

DATE EFFECTIVE November 15, 2019  
Month / Date / Year

ISSUED BY JR Manjari S  
(Signature of Officer)

TITLE President

By Authority Of Order Of The Public Service Commission

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

**LEBANON WATER WORKS COMPANY**

Month	Usage/Gallons	Total Cost
September 2018	34,515,862	133,912.26
October	37,546,608	145,662.48
November	35,631,092	138,236.02
December	34,451,982	133,664.60
January	38,281,668	148,512.31
February	38,523,122	149,448.43
March	34,736,522	134,767.76
April	36,565,157	141,857.39
May	34,867,571	135,275.84
June	39,360,882	152,696.43
July	39,100,503	151,686.94
August 2019	38,499,336	149,356.21
<b>TOTAL</b>	<b>442,080,305</b>	<b>\$1,715,076.67</b>

**CAMPBELLSVILLE MUNICIPAL WATER & SEWER**

Month	Usage/Gallons	Total Cost
September 2018	268,900	\$583.73
October	299,200	\$643.43
November	424,100	\$889.48
December	218,500	\$484.45
January	245,400	\$537.44
February	280,700	\$606.98
March	283,300	\$612.10
April	267,200	\$580.39
May	266,300	\$578.62
June	260,200	\$566.60
July	303,800	\$767.94
August 2019	352,200	\$881.67
<b>TOTAL</b>	<b>3,469,800</b>	<b>\$7,732.83</b>



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

Month	Residential	Commercial	Other	Total Gallons Sold
September 2018	24,934,759	3,903,630	717,382	29,555,771
October	22,143,224	6,978,433	633,964	29,755,621
November	23,118,034	7,407,093	727,472	31,252,599
December	21,492,268	6,866,701	720,810	29,079,779
January	23,060,538	6,912,704	518,404	30,491,646
February	22,118,867	7,460,954	492,886	30,072,707
March	20,563,384	6,557,381	540,310	27,661,075
April	22,007,082	6,929,204	595,411	29,531,697
May	21,930,655	6,952,742	607,552	29,490,949
June	27,072,119	7,381,438	675,593	35,129,150
July	24,372,696	7,025,803	499,903	31,898,402
August 2019	27,731,609	4,685,986	615,029	33,032,624
<b>TOTAL</b>	<b>280,545,235</b>	<b>79,062,069</b>	<b>7,344,716</b>	<b>366,952,020</b>

## LEGAL NOTICE REGARDING THE MARION COUNTY WATER DISTRICT

Notice is hereby given that because of an increase in the cost of water purchased from the Lebanon Water Works Company, the Marion County Water District will increase its rates for services effective November 15, 2019. An application requesting the proposed rates was filed with the Kentucky Public Service Commission on October 16, 2019 to increase rates as follows:

	<u>Existing Rates</u>	<u>Proposed Rates</u>	<u>Increase (\$)</u>	<u>Increase (%)</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

### Water Charge

All Usage, per 1000 gallons:	\$6.29	\$6.57	\$0.28	4.45%
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As noted above, based on the increased cost of water from the Lebanon Water Works Company all rates will increase \$0.28 per 1,000 gallons. The monthly bill for an average residential customer using 5,061 gallons of water each month will increase from \$39.28 to \$40.70. This is an increase of \$1.42 or 3.62%.

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

1st Revised SHEET NO. 1

Marion County Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. 3

Original SHEET NO. 1

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	\$6.57 (I)
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 October 16, 2019  
Month / Date / Year

DATE EFFECTIVE November 15, 2019  
Month / Date / Year

ISSUED BY \_\_\_\_\_  
(Signature of Officer)

TITLE Chairman

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

EXHIBIT F


## RESOLUTION OF AUTHORIZATION

The Marion County Water District hereby orders an increase in the District's rates for service pursuant to 807 KAR 5:068: Purchased Water Adjustment Regulation. This action is required due to an increase in the cost of water purchased from the Lebanon Water Works Company effective on November 15, 2019. The terms of the rate increase shall be consistent with the District's application to the Public Service Commission to be submitted on or after October 15, 2019. The rates proposed therein shall become effective for service rendered on or after November 15, 2019.

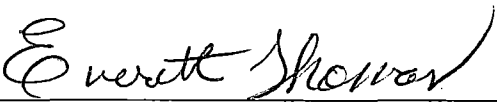
Action herein ordered shall be duly recorded in the minutes of this public meeting of the Marion County Water District held on this 8<sup>th</sup> day of October, 2019.

Ordered this the 8<sup>th</sup> day of October, 2019.

Signed:

  
\_\_\_\_\_  
Jeff Preston, Chairman

Attest:

  
\_\_\_\_\_  
Everett Thomas, Secretary