

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED WATER)	CASE NO.
ADJUSTMENT FILING OF LARUE COUNTY)	2022-00184
WATER DISTRICT NO. 1)	

ORDER

On June 14, 2022, LaRue County Water District No. 1 (LaRue District No. 1) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure set forth in KRS 278.015 and 807 KAR 5:068.

LEGAL STANDARD

In accordance with KRS 278.015, when a wholesale supplier selling water to a water district increases its rates, the water district has the authority to increase its rate commensurate with the wholesale supplier. The water district must file a copy of the notice from the wholesale supplier showing the increase in the wholesale rate, and a statement of the volume of purchased water used to calculate the rate adjustment. The Commission shall approve the filing by order after the above documents are filed.

DISCUSSION

Unaccounted-for Water

Commission regulation 807 KAR 5:066, Section 6(3), states that for ratemaking purposes a utility's unaccounted-for water loss shall not exceed 15 percent of the total water produced and purchased, excluding water consumed by a utility in its own operations. In its 2020 Annual Report filed with the Commission, LaRue District No. 1

reported a water loss of 6.2975 percent.¹ LaRue District No. 1’s application provides updated purchase and sales information for a more current period than the 2020 Annual Report. Based upon the updated information in the application and the percentage of other water consumed by the utility in its 2020 Annual Report, LaRue District No. 1’s unaccounted-for water loss is 9.9103 percent for the updated period.² The cost of LaRue District No. 1’s total water loss is \$43,982.68.³

Financial Condition and Rates

Based on a review of Commission records, LaRue District No. 1’s most recent rate case was filed in 2021. An 8.13 percent rate increase was approved on March 18, 2022.⁴

FINDINGS

Having reviewed the record and being otherwise sufficiently advised, the Commission finds that:

1. LaRue District No. 1 purchases water from the city of Bardstown (Bardstown), Campbellsville Municipal Water and Sewer System (Campbellsville), the city of Hodgenville (Hodgenville), the city of New Haven (New Haven), Green River Valley Water District (Green River Valley District), and Green-Taylor Water District (Green-Taylor District).

¹ *Annual Report of LaRue District No. 1 to the Public Service Commission for the Year Ended December 31, 2020* at 58.

² Total Purchases (application PWA Form 1 at 2)	196,446,932
Less Total Sales (application PWA Form 1 at 2)	174,678,100
Less Plant Use (1.171% determined from 2020 Annual Report)	2,300,394
Water Loss – Gallons	19,468,438
Water Loss – Percent	9.9103%

³ Total water cost at new wholesale rate of \$489,353.61 x 9.9103% water loss = \$48,496.41.

⁴ Case No. 2021-00285, *Electronic Application of Larue County Water District No. 1 for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Mar. 18, 2022).

2. Bardstown notified LaRue District No. 1 that its wholesale rate would increase from \$2.56 per 1,000 gallons to \$2.64 per 1,000 gallons, effective July 1, 2022. LaRue District No. 1 proposes to increase the water rates to its customers effective July 1, 2022, to reflect the increased cost of purchased water from Bardstown.

3. LaRue District No. 1 proposed a purchased water adjustment factor of \$0.02 per 1,000 gallons in its application.

4. During the 12 months ended April 30, 2022, LaRue District No. 1 purchased 38,457,700 gallons of water from Bardstown, 13,787,000 gallons of water from Campbellsville, 45,512,232 gallons of water from Hodgenville, 417,000 gallons of water from New Haven, 94,569,900 gallons of water from Green River Valley District and 3,703,100 gallons of water from Green-Taylor District. During the same period, LaRue District No. 1 sold 174,678,100 gallons of water. The increase in the cost of purchased water is \$3,076.62, resulting in a purchased water adjustment factor of \$0.02 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.02 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just and reasonable and shall be approved, because the water adjustment factor is supported by evidence of the increase in rates from LaRue District No. 1's wholesale water supplier and the volume of purchased water used to calculate the rates in accordance with KRS 278.015.

6. LaRue District No. 1's proposed rates are approved.

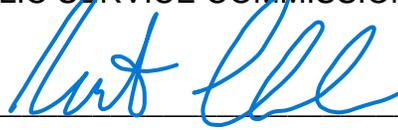
7. The rates as set forth in Appendix B to this Order are fair, just and reasonable and shall be approved for water service rendered by LaRue District No. 1 on and after July 1, 2022, because the rates are supported by evidence of the increase in

rates from LaRue District No. 1's wholesale water supplier and the volume of purchased water used to calculate the rates in accordance with KRS 278.015.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.02 per 1,000 gallons is approved.
2. The rates proposed by LaRue District No. 1 are approved.
3. The rates as set forth in Appendix B to this Order are approved for water service rendered by LaRue District No. 1 on and after July 1, 2022.
4. Within 20 days of the date of entry of this Order, LaRue District No. 1 shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.
5. This case is closed and removed from the Commission's docket.

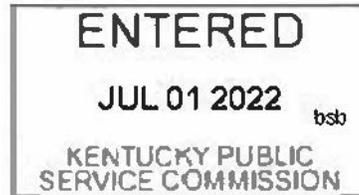
PUBLIC SERVICE COMMISSION



Chairman

Vice Chairman

Commissioner



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2022-00184 DATED JUL 01 2022

	Base Rate	New Rate	Change
<u>Bardstown</u>			
Purchases in Gallons	38,457,700	38,457,700	
Wholesale rate	<u>\$2.56/1,000</u>	<u>\$2.64/1,000</u>	
Sub-total	\$ 98,451.71	\$101,528.33	\$ 3,076.62
<u>Campbellsville</u>			
Purchases in Gallons	13,787,000	13,787,000	
Wholesale rate	<u>\$2.54/1,000</u>	<u>\$2.54/1,000</u>	
Sub-total	\$35,018.98	\$ 35,018.98	no change
<u>Hodgenville</u>			
Purchases in Gallons	45,512,232	45,512,232	
Wholesale rate	<u>\$2.10/1,000</u>	<u>\$2.10/1,000</u>	
Sub-total	\$ 95,575.69	\$ 95,575.69	no change
<u>New Haven</u>			
Purchases in Gallons	417,000	417,000	
Wholesale rate	<u>\$3.02/1,000</u>	<u>\$3.02/1,000</u>	
Sub-total	\$ 1,259.34	\$ 1,259.34	no change
<u>Green River Valley District</u>			
Purchases in Gallons	94,569,900	94,569,900	
Wholesale rate	<u>\$2.59/1,000</u>	<u>\$2.59/1,000</u>	
Sub-total	\$ 244,936.04	\$ 244,936.04	no change
<u>Green-Taylor District</u>			
Purchases in Gallons	3,703,100	3,703,100	
Wholesale rate	<u>\$2.98/1,000</u>	<u>\$2.98/1,000</u>	
Sub-total	\$ 11,035.24	\$ 11,035.24	no change
Total	\$486,277.00	\$489,353.62	\$3,076.62
Increased water cost		\$ 3,076.62	

Increased water cost	\$ 3,076.62
Divided by Gallons sold/1000	<u>174,678,100</u>
Purchased water adjustment factor	\$ 0.0176 per 1,000 Gallons

or \$ 0.02 per 1,000 Gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2022-00184 DATED JUL 01 2022

The following rates and charges are prescribed for the customers in the area served by LaRue County Water District No. 1. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8- x 3/4-Inch Meter

First	1,000 Gallons	\$18.59 Minimum Bill
Next	4,000 Gallons	.00862 per gallon
Next	5,000 Gallons	.00770 per gallon
Over	10,000 Gallons	.00629 per gallon

3/4-Inch Meter

First	3,000 Gallons	\$35.78 Minimum Bill
Next	2,000 Gallons	.00862 per gallon
Next	5,000 Gallons	.00770 per gallon
Over	10,000 Gallons	.00629 per gallon

1-Inch Meter

First	5,000 Gallons	\$52.98 Minimum Bill
Next	5,000 Gallons	.00770 per gallon
Over	10,000 Gallons	.00629 per gallon

1 1/2-Inch Meter

First	10,000 Gallons	\$91.39 Minimum Bill
Over	10,000 Gallons	.00629 per gallon

2-Inch Meter

First	20,000 Gallons	\$154.18 Minimum Bill
Over	20,000 Gallons	.00629 per gallon

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