

Harrison County Water Association
U.S. 27 South
Cynthiana, Kentucky 41031
(859) 234-4284

November 12, 2019

Kentucky Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

RE: Harrison County Water Association
Request for a Pass Through Rate Adjustment

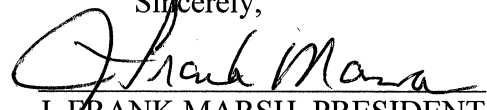
To whom it may concern,

This letter is in reference to the application for the Harrison County Water Association, Inc. (application) for Request of a Pass-Through Rate Adjustment which is fully incorporated in the application. This letter certifies, to the best of my knowledge, the following:

- A. The Harrison County Water Association purchases water from the City of Cynthiana, Kentucky; the city of Paris; and Kentucky American Water.
- B. The total amount of water purchased for the twelve months (i.e. September 2018 to August 2019) prior to the ninety (90) days of the requested rate pass through adjustment (i.e. November 15, 2019 to December 15, 2019, billing on or about January 1-5, 2020) is identified in Exhibit "A", which is fully incorporated herein, as if written word for word herein.
- C. The City of Cynthiana is the largest supplier of water to the Harrison County Water Association, Inc.'s, water distribution system. *See Exhibit "A" which establishes all of the 12 month total utility water purchase, with each entity per month.*
- D. The City of Cynthiana passed a new rate for purchase of water to its existing contract between the City of Cynthiana and the Harrison County Water Association, Inc.; the new rate changes the previous purchase rate from \$2.85 per 1,000 gallons to \$3.15 per 1,000 gallons; a \$0.30 increase per \$1,000.00 gallons.; which was approved by the Kentucky Public Service Commission on July 1, 2019, pursuant to 807 KAR 5:011. *See Exhibit "E", Copy of the approved new rate.*

Should you have any questions or need any additional information, please do not hesitate to contact me.

Sincerely,



J. FRANK MARSH, PRESIDENT

AFFIDAVIT IN SUPPORT OF APPLICATION FOR REQUEST FOR A PASS-
THROUGH RATE ADJUSTMENT

I, J. Frank Marsh, vice-president of the Harrison County Water Association, hereby make the following statements in support of the Association's application for approval by the Kentucky Public Service Commission for A Pass-Through Rate Adjustment

- A. The Harrison County Water Association purchases water from the City of Cynthiana, Kentucky; the city of Paris; and Kentucky American Water.

- B. The total amount of water purchased for the twelve months (i.e. September 2018 to August 2019) prior to the ninety (90) days of the requested rate pass through adjustment (i.e. November 15, 2019 to December 15, 2019, billing on or about January 1-5, 2020) is identified in Exhibit "A", which is fully incorporated herein, as if written word for word herein.

- C. The City of Cynthiana is the largest supplier of water to the Harrison County Water Association, Inc.'s, water distribution system. *See. Exhibit "A" which establishes all of the 12 month total utility water purchase, with each entity per month.*

- D. The City of Cynthiana passed a new rate for purchase of water to its existing contract between the City of Cynthiana and the Harrison County Water Association, Inc.; the new rate changes the previous purchase rate from \$2.85 per 1,000 gallons to \$3.15 per 1,000 gallons; a \$0.30 increase per \$1,000.00 gallons.; which was approved by the Kentucky Public Service Commission on July 1, 2019, pursuant to 807 KAR 5:011. *See. Exhibit "E", Copy of the approved new rate.*

All Statements are true and accurate to the best of my knowledge and belief.

FURTHER, AFFIANT SAYETH NAUGHT,



J. FRANK MARSH, PRESIDENT
HARRISON COUNTY WATER ASSOCIATION

COMMONWEALTH OF KENTUCKY
COUNTY OF HARRISON

I, Jesse Melcher, being a Notary Public in the State of Kentucky at Large, do hereby state that J. Frank Marsh, has signed, sworn and acknowledged before me this the 8th day of November, 2019, by J. Frank Marsh, President of the Harrison County Water Association.



NOTARY PUBLIC, STATE OF KY AT LARGE

1-15-2023

MY COMMISSION EXPIRES:

DISTRIBUTION LIST

**RE: ELECTRONIC APPLICATION OF THE HARRISON COUNTY WATER ASSOCIATION, INC.
REQUEST FOR A PASS THROUGH RATE ADJUSTEMENT**

CASE NUMBER 2019- 00407

**KENTUCKY PUBLIC SERVICE COMMISSION (KPSC)
FRANKFORT, KENTUCKY 40601
*Filed electronically and hard copy to KPSC***

**HCWA, Inc.
Attn: Mr. Mark Patrick, Manager
P.O. Box 215
Cynthiana, Kentucky 41031**

**Jesse Melcher Law Office, PLLC
Attn: Mr. Jesse P. Melcher, Esq.
P.O. Box 345
Mount Olivet, Kentucky 41064**

INDEX/TABLE OF CONTENTS

- A. PAGE ONE (1)DISTRIBUTION LIST &
INDEX/TABLE OF CONTENTS**
- B. PAGE TWO (2).....APPLICATION INFORMATION**
- C. PAGE THREE (3) TO FOUR (4)..... CURRENT RATES AND PROPOSED RATES**
- D. PAGE FOUR(4).....807 KAR 5:068 SECTION 3 & SECTON 5 INFO**
- E. PAGE FIVE (5).....PURCHASED WATER ADJUSTMENT FACTOR
AND OTHER 807 KAR 5:068
REQUIREMENTS**
- F. PAGE SIX (6).....CERTIFICATION SIGNATURES**

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

**In the Matter of: ELECTONIC APPLICATION OF
THE HARRISON COUNTY WATER ASSOCIATION, INC.
REQUEST FOR A PASS THROUGH RATE ADJUSTEMENT**

CASE NUMBER 2019- 00407

Comes now the Harrison County Water Association, Inc., by and through their president of the board of directors, Mr. J. Frank Marsh, and the manager, Mr. Mark Patrick, and through counsel, Mr. Jesse P. Melcher, Esq. and hereby requests a pass through rate adjustment pursuant to K.R.S. 278 and 807 KAR 5:068.

As grounds for this request, the Harrison County Water Association, Inc. does hereby establish as follows:

- A. The Harrison County Water Association purchases water from the City of Cynthiana, Kentucky; the city of Paris; and Kentucky American Water.
- B. The total amount of water purchased for the twelve months (i.e. September 2018 to August 2019) prior to the ninety (90) days of the requested rate pass through adjustment (i.e. November 15, 2019 to December 15, 2019, billing on or about January 1-5, 2020) is identified in Exhibit "A", which is fully incorporated herein, as if written word for word herein.
- C. The City of Cynthiana is the largest supplier of water to the Harrison County Water Association, Inc.'s, water distribution system. *See Exhibit "A" which establishes all of the 12 month total utility water purchase, with each entity per month.*
- D. The City of Cynthiana passed a new rate for purchase of water to its existing contract between the City of Cynthiana and the Harrison County Water Association, Inc.; the new rate changes the previous purchase rate from \$2.85 per 1,000 gallons to \$3.15 per 1,000 gallons; a \$0.30 increase per \$1,000.00 gallons.; which was approved by

the Kentucky Public Service Commission on July 1, 2019, pursuant to 807 KAR 5:011.
See. Exhibit "E", Copy of the approved new rate.

HCWA CURRENT RATES AND PROPOSED PASS THROUGH RATE INCREASE

All Rates and Calculations are based upon \$0.37 (price) increase per 1000 gallons.

A) 5/8 inch x 3/4 inch meter

CURRENT RATE

First 2,000 gallons	\$18.89 minimum bill
Next 1,000 gallons	\$7.13 per 1,000 gallons
Next 2,000 gallons	\$6.95 per 1,000 gallons
Next 45,000 gallons	\$6.41 per 1,000 gallons
Over 50,000.00 gallons	\$5.49 per 1,000 gallons

PROPOSED PASS THROUGH RATE

Percentage change

First 2,000 gallons	\$19.63 minimum bill	0.03917141662
Next 1,000 gallons	\$7.50 per 1,000 gallons	0.0518934081
Next 2,000 gallons	\$7.32 per 1,000 gallons	0.0532374101
Next 45,000 gallons	\$6.78 per 1,000 gallons	0.0577223089
Over 50,000.00 gallons	\$5.86 per 1,000 gallons	0.0673952641

B) 3/4 inch Meter

CURRENT RATE

First 3,000 gallons	\$26.02 minimum bill
Next 2,000 gallons	\$6.95 per 1,000 gallons
Next 45,000 gallons	\$6.41 per 1,000 gallons
Over 50,000 gallons	\$5.49 per 1,000 gallons

PROPOSED PASS THROUGH RATE

Percentage change

First 3,000 gallons	\$27.13 minimum bill	0.048218940
Next 2,000 gallons	\$7.06 per 1,000 gallons	0.0532374101
Next 45,000 gallons	\$6.78 per 1,000 gallons	0.0577223089
Over 50,000 gallons	\$5.86 per 1,000 gallons	0.0673952641

C) 1 inch meter

CURRENT RATE

First 5,000 gallons	\$39.92 minimum bill
Next 45,000 gallons	\$6.41 per 1,000 gallons
Over \$50,000 gallons	\$5.49 per 1,000 gallons

PROPOSED PASS THROUGH RATE

Percentage change

First 5,000 gallons	\$41.77 minimum bill	0.0463426854
Next 45,000 gallons	\$6.78 per 1,000 gallons	0.057395264
Over \$50,000 gallons	\$5.86 per 1,000 gallons	0.0673952641

D) 1 1/2 inch meter

CURRENT RATE

First 10,000 gallons	\$71.96 minimum bill
Next 40,000 gallons	\$6.41 per 1,000 gallons
Over 50,000 gallons	\$5.49 per 1,000 gallons

PROPOSED PASS THROUGH RATE

Percentage change

First 10,000 gallons	\$75.66 minimum bill	0.0514174541
Next 40,000 gallons	\$6.78 per 1,000 gallons	0.0577223089
Over 50,000 gallons	\$5.86 per 1,000 gallons	0.0675952641

E) 2 inch meter

CURRENT RATES

First 15,000 gallons	\$103.99 minimum bill
Next 35,000 gallons	\$6.41 per 1,000 gallons
Over 50,000 gallons	\$5.49 per 1,000 gallons

PROPOSED RATES

		Percentage change
First 15,000 gallons	\$109.54 minimum bill	0.0533705164
Next 35,000 gallons	\$6.78 per 1,000 gallons	0.0577223089
Over 50,000 gallons	\$5.86 per 1,000 gallons	0.067395264

F) Bulk Loading Station

		Percentage change
Current Rate	\$7.73 per 1,000 gallons	
Proposed Rate	\$8.10 per 1,000 gallons	0.0478654592

The total pass through rate adjustment equates to thirty seven cents (\$0.37) per one thousand gallons sold.

I.E. The factored water adjustment pursuant to 807 K.A.R. 5:068, Section 3, (3) is based upon the level of water purchases for a period of twelve (12) consecutive months ending within ninety (90) days immediately prior to the effective date of the utility rate adjustment month period. Pursuant to 807 K.A.R. 5:068, Section 3, (4)(a), Total water sales have been determined based upon the level of water sales for a period of twelve (12) (i.e. beginning August 2018) consecutive months ending within ninety (90) days immediately prior to the effective date of the utility rate adjustment month period (i.e. September 2019). Pursuant to 807 KAR 5:068, Section 3, (5), the same twelve (12) month period (as referenced above, 807 KAR 5:068, Section 3, (3) & (4)(a), shall be used to determine the total water purchases and total water utility sales.

E. Pursuant to 807 KAR 5:068, Section 5, (1) Notice has been posted at the front office door of the Harrison County Water Association, Inc. as of November 7, 2019, and all affected customers as follows:

- a) Notice is being placed in all five county news publications, with the highest circulation to all affected customers; Specifically, Harrison County Democrat; Harrison County Shopper; Bourbon County Citizen; Carlisle Mercury (Nicholas County); News-Graphic Georgetown (Scott Co.); Falmouth Outlook (Pendleton County).
- b) Copies of those news publications, with publisher verification will be supplemented to the file; a copy of the notice is attached hereto and identified as Exhibit "F", being and fully incorporated herein, as if written word for word herein.

1. Purchased water adjustment factor pursuant to 807 KAR 5:068 Sec3. (2)

Pursuant to 807 KAR 5:068, Section 3, the calculated purchased water adjustment factor based upon the formula of calculation stated therein, and the cited information above, is as follows:

SEE EXHIBIT "C" WHICH IS FULLY INCORPORATED HEREIN AS IF WRITTEN WORD FOR WORD HEREIN.

- F. Pursuant to 807 K.A.R. 5:068 (e) a copy of the Resolution from the Harrison County Water Association, Inc., authorizing and requesting said pass through rate adjustment is attached hereto. The Resolution is identified as Exhibit "D", which is attached hereto and fully incorporated herein, as if written word for word herein.

COMPLIANCE WITH ALL REQUIREMENTS OF 807 KAR 5:068

- 1) Section 1.
 - Sub a) Completed Purchased Water Adjustment Form 1; *See. Attached Form, which is fully incorporated herein.*
 - Sub b) A schedule listing current and proposed rates; *See. Attached Exhibit "B", which is fully incorporated herein.*
 - Sub c) A copy of the suppliers notice showing a change in supplier's base rate; *See. Attached Exhibit "E", which is fully incorporated herein.*
 - Sub d) A copy of the calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation; *See. Attached Exhibit "C", Purchased Water Factor Adjustment, which is fully incorporated herein.*
 - Sub e) A copy of the resolution or other document of the utility's governing body authorizing the proposed rates; *See. Attached Exhibit "D", which is fully incorporated herein*
- 2) Section 5. A copy of the Notice placed on the door of the office as of November 7, 2019 and a copy which will be published as stated; proof of publication to be submitted. *See. Exhibit "F".*

CERTIFICATION

We, J. Frank Marsh, President/Board Chairman, and Mark Patrick, Manager, for the Harrison County Water Association, Inc., hereby certify that we have read over the foregoing request for a pass through rate application to the Kentucky Public Service Commission, and that all averments and statements herein are true and accurate to the best of our knowledge and belief.

[Handwritten signature of Mark Patrick]

MARK PATRICK, MANAGER

[Handwritten signature of J. Frank Marsh]

J. FRANK MARSH, PRESIDENT/BOARD CHAIRMAN

We, John B. Golbreath (print name) and Cindy L. Taylor (print name) as two witnesses, state that Mark Patrick, and J. Frank Marsh, did in our presence execute their signatures, and affirm and acknowledge their certification to the Kentucky Public Service Commission's Electronic Investigative Order concerning water utilities reporting of water loss, this the 2nd day of November, 2019.

[Handwritten signature of John B. Golbreath]
WITNESS # 1 (Print Name) John B. Golbreath

[Handwritten signature of Cindy L. Taylor]
WITNESS # 2 (Print Name) Cindy L. Taylor

COMMONWEALTH OF KENTUCKY
COUNTY OF Harrison

I, JESSE P. MELCHER, being a Notary Public in the State of Kentucky at Large, do hereby state that J. Frank Marsh, President of the Harrison County Water Association, Inc. and Mark Patrick, manager, who are both personally known to me, have signed, sworn, and acknowledged before me this the 2nd day of November, 2019

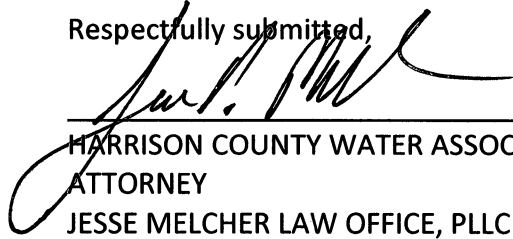
[Handwritten signature of Jesse P. Melcher]

NOTARY PUBLIC, STATE OF KY AT LARGE

1-15-2023

MY COMMISSION EXPIRES:

Respectfully submitted,



HARRISON COUNTY WATER ASSOCIATION, INC.

ATTORNEY

JESSE MELCHER LAW OFFICE, PLLC

MR. JESSE P. MELCHER, ESQ.

P.O. BOX 345

MOUNT OLIVET, KY 41064

606-724-5322 (phone)

606-724-2612 (fax)

jpmecher@yahoo.com

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

Name of Utility	Harrison County Water Association, Inc.	
Date	11/07/2019	
Address	2082 U.S. 27 S.	
City, State, Zip	Cynthiana, Kentucky	41031
Telephone Number	859-234-4284	
Email Address	jpmelcher@yahoo.com	

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.

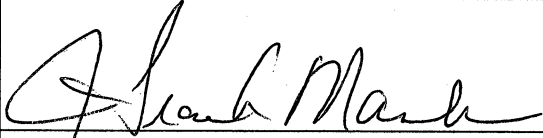

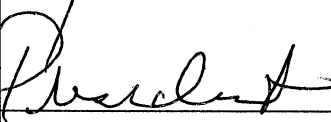

Supplier(s)	Base Rate	Changed Rate
City of Cynthiana	2.85 per thousand	3.15 per thousand

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit "C"

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
5 Suppliers All Identified in Exhibit "A"	
TOTAL PURCHASES	404,707,502
4. Total gallons sold for the 12 month period	324,249,645
5. Increased water cost	\$121,412.25
<p>The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation is attached as Exhibit "C"</p>	
6. Purchased water adjustment factor	\$0.37 per thousand
<p>The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.</p> <p>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.</p>	
7. A schedule listing the current and proposed rates is attached as Exhibit "B"	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit "D"	
9. Proposed effective date Billing Period 11-15-19 to 12-15-19	Billed Jan 1-5, 2020
 	
Signature of Utility Officer	
 	
Title	

PURCHASED WATER FROM ALL PURCHASED
FROM ALL WATER PRODUCERS
OF HARRISON COUNTY WATER ASSOCIATION, INC. (HCWA)

A) Nicholas County Water District

i)	September 2018	1760500 gallons
ii)	October 2018	154,000 gallons
iii)	November 2018	502,900 gallons
iv)	December 2019	1509400 gallons
v)	January 2019	2,604,500 gallons
vi)	February 2019	1,899,900 gallons
vii)	March 2019	2142000 gallons
viii)	April 2019	2119500 gallons
ix)	May 2019	2672000 gallons
x)	June 2019	2446500 gallons
xi)	July 2019	1684300 gallons
xii)	August 2019	2151000 gallons
	TOTALS	21,646,500.00

B) City of Paris Water

i)	September 2018	337,000 gallons
ii)	October 2018	195,600 gallons
iii)	November 2018	216,300 gallons
iv)	December 2019	227,700 gallons
v)	January 2019	283,300 gallons
vi)	February 2019	272,300 gallons
vii)	March 2019	203,100 gallons
viii)	April 2019	429,300 gallons
ix)	May 2019	835,200 gallons
x)	June 2019	365,400 gallons
xi)	July 2019	314,100 gallons
xii)	August 2019	378,200 gallons
	TOTALS	4,057,500.00

C) City of Millersburg -Ky American Water

i)	September 2018	551264 gallons
ii)	October 2018	551264 gallons
iii)	November 2018	551264 gallons
iv)	December 2019	551264 gallons
v)	January 2019	2015860 gallons
vi)	February 2019	1640364 gallons
vii)	March 2019	1500488 gallons
viii)	April 2019	1445884 gallons
ix)	May 2019	1337424 gallons
x)	June 2019	1340416 gallons
xi)	July 2019	1361360 gallons
xii)	August 2019	1467576 gallons

TOTALS **14,314,428.00**

D) Ky American 353

i)	September 2018	3072797 gallons
ii)	October 2018	3072797 gallons
iii)	November 2018	3344000 gallons
iv)	December 2019	3313000 gallons
v)	January 2019	2757000 gallons
vi)	February 2019	2403000 gallons
vii)	March 2019	2450000 gallons
viii)	April 2019	2867000 gallons
ix)	May 2019	2880000 gallons
x)	June 2019	2755000 gallons
xi)	July 2019	3786000 gallons
xii)	August 2019	3956000 gallons

TOTALS **36,656,594.00**

E) City of Cynthiana

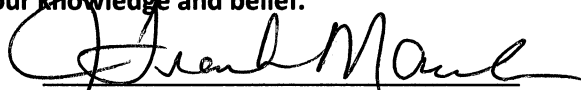
- Was \$2.85 per \$1,000 gallons from October 2018 to June 30, 2019
- Now is \$3.15 per \$1,000 gallons from July 1, 2019 to present

i)	August 2018	22592630 gallons
ii)	September 2018	24,647830 gallons
iii)	October 2018	26145780 gallons
iv)	November 2019	24800560 gallons
v)	December 2019	27473020 gallons
vi)	January 2019	31502830 gallons
vii)	February 2019	24439270 gallons
viii)	March 2019	26546360 gallons
ix)	April 2019	27180030 gallons
x)	May 2019	30471270 gallons
xi)	June 2019	30947610 gallons
xii)	July 2019	31,285,290 gallons

TOTALS **328,032,480.00**

Total of all 5 suppliers **404,707,502**

We, J. Frank Marsh, President/Chairman of the Board of Directors for the Harrison County Water Association, Inc. and Mark Patrick, Manager of the Harrison County Water Association, state that we have reviewed the information stated herein, and all information is true and accurate to the best of our knowledge and belief.



J. FRANK MARSH, PRESIDENT/CHAIRMAN
BOARD OF DIRECTORS, HARRISON COUNTY
WATER ASSOCIATION, INC.



MARK PATRICK, MANAGER
HARRISON COUNTY WATER ASSOCIATION, INC.

HCWA CURRENT RATES AND PROPOSED PASS THROUGH RATE INCREASE

All Rates and Calculations are based upon \$0.37 (price) increase per 1000 gallons.

THIS RATE DOES NOT REFLECT ANY PASS THROUGH FEES IMPOSED BY COUNTY GOVERNMENTS SUCH AS TAXES, FEES, 911 SURCHARGES, ETC.

A) 5/8 inch x 3/4 inch meter

CURRENT RATE

First 2,000 gallons	\$18.89 minimum bill
Next 1,000 gallons	\$7.13 per 1,000 gallons
Next 2,000 gallons	\$6.95 per 1,000 gallons
Next 45,000 gallons	\$6.41 per 1,000 gallons
Over 50,000.00 gallons	\$5.49 per 1,000 gallons

PROPOSED PASS THROUGH RATE

Percentage change

First 2,000 gallons	\$19.63 minimum bill	0.03917141662
Next 1,000 gallons	\$7.50 per 1,000 gallons	0.0518934081
Next 2,000 gallons	\$7.32 per 1,000 gallons	0.0532374101
Next 45,000 gallons	\$6.78 per 1,000 gallons	0.0577223089
Over 50,000.00 gallons	\$5.86 per 1,000 gallons	0.0673952641

B) 3/4 inch Meter

CURRENT RATE

First 3,000 gallons	\$26.02 minimum bill
Next 2,000 gallons	\$6.95 per 1,000 gallons
Next 45,000 gallons	\$6.41 per 1,000 gallons
Over 50,000 gallons	\$5.49 per 1,000 gallons

PROPOSED PASS THROUGH RATE

Percentage change

First 3,000 gallons	\$27.13 minimum bill	0.048218940
Next 2,000 gallons	\$7.06 per 1,000 gallons	0.0532374101
Next 45,000 gallons	\$6.78 per 1,000 gallons	0.0577223089
Over 50,000 gallons	\$5.86 per 1,000 gallons	0.0673952641

C) 1 inch meter

CURRENT RATE

First 5,000 gallons	\$39.92 minimum bill
Next 45,000 gallons	\$6.41 per 1,000 gallons
Over \$50,000 gallons	\$5.49 per 1,000 gallons

PROPOSED PASS THROUGH RATE

Percentage change

First 5,000 gallons	\$41.77 minimum bill	0.0463426854
Next 45,000 gallons	\$6.78 per 1,000 gallons	0.057395264
Over \$50,000 gallons	\$5.86 per 1,000 gallons	0.0673952641

D) 1 1/2 inch meter

CURRENT RATE

First 10,000 gallons	\$71.96 minimum bill
Next 40,000 gallons	\$6.41 per 1,000 gallons
Over 50,000 gallons	\$5.49 per 1,000 gallons

PROPOSED PASS THROUGH RATE

Percentage change

First 10,000 gallons	\$75.66 minimum bill	0.0514174541
Next 40,000 gallons	\$6.78 per 1,000 gallons	0.0577223089
Over 50,000 gallons	\$5.86 per 1,000 gallons	0.0675952641

E) 2 inch meter

CURRENT RATES

First 15,000 gallons	\$103.99 minimum bill
Next 35,000 gallons	\$6.41 per 1,000 gallons
Over 50,000 gallons	\$5.49 per 1,000 gallons

PROPOSED RATES

First 15,000 gallons	\$109.54 minimum bill	Percentage change
Next 35,000 gallons	\$6.78 per 1,000 gallons	0.0533705164
Over 50,000 gallons	\$5.86 per 1,000 gallons	0.0577223089
		0.067395264

F) Bulk Loading Station

Current Rate	\$7.73 per 1,000 gallons	Percentage change
Proposed Rate	\$8.10 per 1,000 gallons	0.0478654592

The total pass through rate adjustment equates to thirty seven cents (\$0.37) per one thousand gallons sold.

THIS RATE DOES NOT REFLECT ANY PASS THROUGH FEES IMPOSED BY COUNTY GOVERNMENTS SUCH AS TAXES, FEES, 911 SURCHARGES, ETC.

PURCHASED WATER ADJUSTMENT FACTOR

(CHANGED RATE) \$3.15 PER 1000 GALLONS (0.00315 PER GALLON)

X TOTAL WATER PURCHASED (\$404,707,502) EQUALS 1,274,828.6313

(BASE RATE) \$2.85 PER 1000 GALLONS (0.00285 PER GALLON)

X TOTAL WATER PURCHASED (404,707,502) EQUALS 1,153,416.3807

1,274,828.6313-1,153,416.3807 EQUALS 121,412.25

DIVIDED BY

TOTAL WATER SOLD 324,249,545

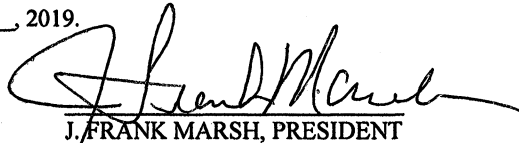
EQUALS \$0.0003744407 PER GALLON OR \$0.37 PER ONE THOUSAND GALLONS (1,000)


September	26,534,673.00
October	24,044,054.00
November	27,098,368.00
December	18,733,423.00
January	28,849,048.00
Feb	29,203,817.00
March	23,448,449.00
April	25,103,953.00
May	25,622,822.00
June	29,927,482.00
July	35,580,166.00
August	30,103,390.00
	324,249,645.00

CERTIFICATION

We, J. Frank Marsh, President of the Harrison County Water Association, Inc., and Mark Patrick, Vice President of the Harrison County Water Association, Inc. hereby certify that the above total amounts of water per thousand sold from September, 2018 through August, 2019 are true and accurate to the best of our knowledge and belief.

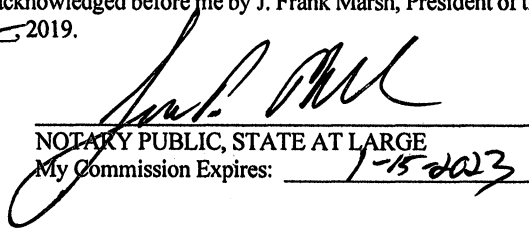
On this the 7th day of November, 2019.


 J. FRANK MARSH, PRESIDENT


 MARK PATRICK, VICE PRESIDENT
 Manager - MS

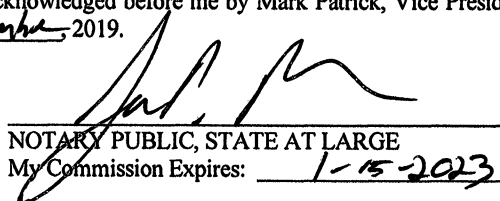
COMMONWEALTH OF KENTUCKY
 COUNTY OF ROBERTSON

The foregoing CERTIFICATION was signed, sworn, and acknowledged before me by J. Frank Marsh, President of the Harrison County Water Association, Inc., this the 7th day of November, 2019.


 NOTARY PUBLIC, STATE AT LARGE
 My Commission Expires: 1-15-2023

COMMONWEALTH OF KENTUCKY
 COUNTY OF ROBERTSON

The foregoing CERTIFICATION was signed, sworn, and acknowledged before me by Mark Patrick, Vice President of the Harrison County Water Association, Inc., this the 7th day of November, 2019.

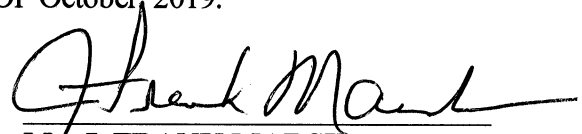

 NOTARY PUBLIC, STATE AT LARGE
 My Commission Expires: 1-15-2023

**HARRISON COUNTY WATER ASSOCIATION, INC.
RESOLUTION NUMBER: 2019-001**

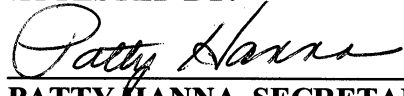
Whereas, the Harrison County Water Association, Inc., after having the City of Cynthiana raise their water purchase rates for the production of water that is sold to the Harrison County Water Association, Inc. for a water distribution system from \$2.85 per 1,000.00 gallons to \$3.15 per 1,000.00 gallons, at their regular monthly meeting in September ie.. September 18, 2019, after having a duly authorized motion by Gary Carter and second by Lincoln Clifford, with unanimous consent for approval for a pass through rate adjustment, it is HEREBY RESOLVED AS FOLLOWS:

- a) The Harrison County Water Association, Inc. shall proceed with filing a request for approval by the Kentucky Public Service Commission, pursuant to 807 KAR 5:068, for a pass through rate adjustment based upon the new rate of purchase from the City of Cynthiana in the amount of \$3.15 per 1,000.00 gallons.
- b) This pass through rate adjustment shall not take effect until November 15, 2019 to December 15, 2019 water usage period, to be billed on or about January 1-5, 2020; and subject to approval of the Kentucky Public Service Commission.
- c) The approved pass through rates as calculated by the purchased water adjustment are stated in the attached Exhibit "A" which is fully incorporated herein.

SO RESOLVED THIS THE 17th DAY OF October, 2019.

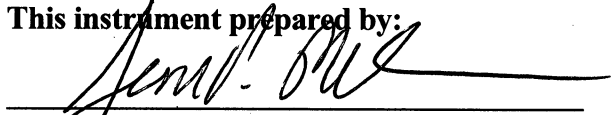

Mr. J. FRANK MARSH
PRESIDENT OF
HARRISON COUNTY WATER
ASSOCIATION, INC.

ATTESTED BY:



**PATTY HANNA, SECRETARY FOR BOARD
OF DIRECTORS OF HCWA, INC.**

This instrument prepared by:



**JESSE P. MELCHER
ATTORNEY FOR HARRISON COUNTY WATER ASSOCIATION, INC.
P.O. BOX 345
MT. OLIVET, KENTUCKY 41064
(606) 724-5322
jpmelcher@yahoo.com**

EXHIBIT "A" PAGE ONE OF TWO

HCWA CURRENT RATES AND PROPOSED PASS THROUGH RATE INCREASE

All Rates and Calculations are based upon \$0.37 (price) increase per 1000 gallons.

THIS RATE DOES NOT REFLECT ANY PASS THROUGH FEES IMPOSED BY COUNTY GOVERNMENTS SUCH AS TAXES, FEES, 911 SURCHARGES, ETC.

A) 5/8 inch x 3/4 inch meter

CURRENT RATE

First 2,000 gallons	\$18.89 minimum bill
Next 1,000 gallons	\$7.13 per 1,000 gallons
Next 2,000 gallons	\$6.95 per 1,000 gallons
Next 45,000 gallons	\$6.41 per 1,000 gallons
Over 50,000.00 gallons	\$5.49 per 1,000 gallons

PROPOSED PASS THROUGH RATE**Percentage change**

First 2,000 gallons	\$19.63 minimum bill	0.03917141662
Next 1,000 gallons	\$7.50 per 1,000 gallons	0.0518934081
Next 2,000 gallons	\$7.32 per 1,000 gallons	0.0532374101
Next 45,000 gallons	\$6.78 per 1,000 gallons	0.0577223089
Over 50,000.00 gallons	\$5.86 per 1,000 gallons	0.0673952641

B) 3/4 inch Meter

CURRENT RATE

First 3,000 gallons	\$26.02 minimum bill
Next 2,000 gallons	\$6.95 per 1,000 gallons
Next 45,000 gallons	\$6.41 per 1,000 gallons
Over 50,000 gallons	\$5.49 per 1,000 gallons

PROPOSED PASS THROUGH RATE**Percentage change**

First 3,000 gallons	\$27.13 minimum bill	0.048218940
Next 2,000 gallons	\$7.06 per 1,000 gallons	0.0532374101
Next 45,000 gallons	\$6.78 per 1,000 gallons	0.0577223089
Over 50,000 gallons	\$5.86 per 1,000 gallons	0.0673952641

C) 1 inch meter

CURRENT RATE

First 5,000 gallons	\$39.92 minimum bill
Next 45,000 gallons	\$6.41 per 1,000 gallons
Over \$50,000 gallons	\$5.49 per 1,000 gallons

PROPOSED PASS THROUGH RATE**Percentage change**

First 5,000 gallons	\$41.77 minimum bill	0.0463426854
Next 45,000 gallons	\$6.78 per 1,000 gallons	0.057395264
Over \$50,000 gallons	\$5.86 per 1,000 gallons	0.0673952641

D) 1 1/2 inch meter

CURRENT RATE

First 10,000 gallons	\$71.96 minimum bill
Next 40,000 gallons	\$6.41 per 1,000 gallons
Over 50,000 gallons	\$5.49 per 1,000 gallons

PROPOSED PASS THROUGH RATE**Percentage change**

First 10,000 gallons	\$75.66 minimum bill	0.0514174541
Next 40,000 gallons	\$6.78 per 1,000 gallons	0.0577223089
Over 50,000 gallons	\$5.86 per 1,000 gallons	0.0675952641

EXHIBIT "A" PAGE TWO OF TWO

E) 2 inch meter

CURRENT RATES

First 15,000 gallons	\$103.99 minimum bill
Next 35,000 gallons	\$6.41 per 1,000 gallons
Over 50,000 gallons	\$5.49 per 1,000 gallons

PROPOSED RATES

First 15,000 gallons	\$109.54 minimum bill	Percentage change
Next 35,000 gallons	\$6.78 per 1,000 gallons	0.0533705164
Over 50,000 gallons	\$5.86 per 1,000 gallons	0.0577223089
		0.067395264

F) Bulk Loading Station

Current Rate	\$7.73 per 1,000 gallons	Percentage change
Proposed Rate	\$8.10 per 1,000 gallons	0.0478654592

The total pass through rate adjustment equates to thirty seven cents (\$0.37) per one thousand gallons sold.

THIS RATE DOES NOT REFLECT ANY PASS THROUGH FEES IMPOSED BY COUNTY GOVERNMENTS SUCH AS TAXES, FEES, 911 SURCHARGES, ETC.

EXHIBIT "E"

Page 1 of 5

FOR Harrison County Water Association

P.S.C. KY. NO. 1

City of Cynthiana (Water)

1st REVISED SHEET NO. 1

(Name of Municipal Utility)

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

ORIGINAL SHEET NO. 1

RATES AND CHARGES

MONTHLY WHOLESALE WATER RATE:

Harrison County Water Association:

All usage – on and after July 1, 2019 \$3.15 per 1,000 gallons (T)(I)(D)

NOTE: This revises the previous rate of \$2.85 per 1,000 gallons that became effective of January 1, 2016. (1)

DATE OF ISSUE April 1, 2019

DATE EFFECTIVE July 1, 2019

ISSUED BY City of Cynthiana by James D. Smith
(Signature)

TITLE MAYOR

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. N/A DATED N/A

KENTUCKY PUBLIC SERVICE COMMISSION	
Gwen R. Pinson Executive Director	
<i>Gwen R. Pinson</i>	
EFFECTIVE 7/1/2019	
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)	

**ADDENDUM TO WATER PURCHASE AGREEMENT
BETWEEN CITY OF CYNTHIANA AND
HARRISON COUNTY WATER ASSOCIATION, INC.**

WHEREAS, the City of Cynthiana, Kentucky and Harrison County Water Association, Inc. entered into a Water Purchase Agreement dated September 29, 2009 setting forth rates to be charged by the City of Cynthiana to Harrison County Water Association, Inc. for treated water which Harrison County Water Association, Inc. purchases from the City of Cynthiana, Kentucky, and

WHEREAS, Paragraph 7 of the Agreement provides that the rates set out in the agreement are subject to change by mutual agreement of the City and the Harrison County Water Association, or if unable to reach such an agreement, then upon a minimum of thirty days' notice of any such change, subject to the review and approval of the Public Service Commission of the Commonwealth of Kentucky, and

WHEREAS, the City of Cynthiana and Harrison County Water Association, Inc. entered into an Addendum to Water Purchase Agreement with the Addendum being dated November 11, 2014 and being approved by the Kentucky Public Service Commission effective January 1, 2015 which set the rate currently being charged by the City of Cynthiana for wholesale water being sold to the Harrison County Water Association, Inc., and

WHEREAS, the City of Cynthiana and the Harrison County Water Association, Inc. have reached an agreement on a rate increase which will take effect on July 1, 2019 with the new rate to supersede and replace in all respects those rates set out in the Water Purchase Agreement dated September 29, 2009 and the Addendum to Water Purchase Agreement dated November 11, 2014 and approved January 1, 2015, and

WHEREAS, the parties wish to amend the Water Purchase Agreement to reflect the new agreed upon rate to be effective July 1, 2019,

NOW, THEREFORE, this Addendum to Water Purchase Agreement is made and entered into as of this the 1st day of April, 2019 by and between [City of Cynthiana] and [Harrison County Water Association, Inc.] Kentucky, a municipal corporation located in Harrison County, Kentucky, and

KENTUCKY PUBLIC SERVICE COMMISSION
Governor <i>[Signature]</i> Executive Director
7/1/2019
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

EXHIBIT "E"

referred to as "City") and the Harrison County Water Association, Inc., P.O. Box 215, Cynthiana, Kentucky 41031 (hereinafter referred to as "HCWA")

WITNESSETH:

1. The City and HCWA have reached an agreement to change the water rates pursuant to Paragraph 7 of the Water Purchase Agreement dated September 29, 2009. This agreement amends the current rate being charge by the City to HCWA as set out in the Addendum to Water Purchase Agreement dated November 11, 2014 and effective January 1, 2015. The new rate to be charged by the City of Cynthiana to HCWA shall be as follows:

Monthly rate effective on and after July 1, 2019:

	<u>Current Rate</u>	<u>New Rate</u>	<u>\$ Change</u>	<u>% Change</u>
All usage	\$2.85 per 1,000 gallons	\$3.15 per 1,000 gallons	\$0.30 increase	10.5%

2. Water flowing through the meters prior to July 1, 2019 will be charged at the current rate of \$2.85 per 1,000 gallons while water flowing through the meters on or after July 1, 2019 will be charged at the new rate of \$3.15 per 1,000 gallons.

3. Except as specifically amended herein relating to rates, the remaining paragraphs and provisions of the Water Purchase Agreement dated September 29, 2009 remain in full force and effect subject only to any subsequent addendum(s) which may have been approved by the Kentucky Public Service Commission.

IN TESTIMONY WHEREOF, this addendum has been lawfully and with full authority excuted (1) by the Mayor of the City of Cynthiana, Kentucky, by and on behalf of the City and (2) by the President and Chairman of the Board of Directors of the Harrison County Water Association, Inc., by and on behalf of the HCWA

CITY OF CYNTHIANA By: <i>James D. Smith</i> James D. Smith, Mayor	KENTUCKY PUBLIC SERVICE COMMISSION Gwen R. Pinson Secretary
	EFFECTIVE 7/1/2019 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

**STATE OF KENTUCKY
COUNTY OF HARRISON**

The foregoing Addendum to Water Purchase Agreement was subscribed, sworn to, and acknowledged before me by James Smith, acting as Mayor on behalf of the City of Cynthiana, Kentucky, on this the 21st day of March, 2019.

My commission expires:
9-4-19

Justin Mullett
Notary Public

**HARRISON COUNTY WATER
ASSOCIATION, INC.**

J. Frank Marsh
By: J. Frank Marsh, President and
Chairman of the Board of Directors

**STATE OF KENTUCKY
COUNTY OF HARRISON**

The foregoing Addendum to Water Purchase Agreement was subscribed, sworn to, and acknowledged before me by J. Frank Marsh, acting as President and Chairman on behalf of the Harrison County Water Association, Inc., on this the 17th day of April, 2019.

My commission expires:
1-15-2023

James Mullett
Notary Public

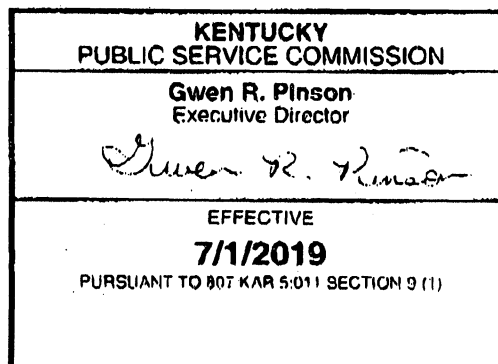




EXHIBIT "E"

Page 5 of 5

Michael J. Schmitt
Chairman

Matthew G. Bevin
Governor

Charles G. Snavey
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission

211 Sower Blvd.
P.O. Box 615
Frankfort Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Robert Cicero
Vice Chairman

Talina R. Mathews
Commissioner

June 13, 2019

James Smith
Jesse Melcher Law Office
141 E Pike Street, Suite 1
P.O. Box 67
Cynthiana, KY 41031

RE: Filing No. **TFS2019-00249**
Increases wholesale water rate Harrison County Water Association.

Dear James Smith:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files. You may also use the following link to access documents related to this filing.

<https://psc.ky.gov/trf4/TRFListFilings.aspx?ID=TFS2019-00249>

Sincerely,

Gwen R. Pinson
Executive Director

NOTICE OF RATE INCREASE REQUEST

All customers of the Harrison County Water Association, Inc., which serves all of Harrison County, parts of: Scott County, Bourbon County, Pendleton County, and Nicholas County, Kentucky, PLEASE TAKE NOTICE OF THE FOLLOWING: The Harrison County Water Association, Inc., only distributes water it purchases, wherein, the primary provider of distributed water is the City of Cynthiana, Kentucky. The City of Cynthiana as of July 1, 2019, raised its rates of sold water to the Harrison County Water Association, Inc., by \$0.30 (i.e. thirty cents) per one thousand (\$1,000.00) gallons sold. The previous charged rate per 1,000 gallons purchased was \$2.85 and is now \$3.15 per one thousand (1,000) gallons purchased.

Therefore, pursuant to resolution and approved motion for a rate pass through adjustment for the Harrison County Water Association, Inc. to pass this rate increase along to its customers; all pursuant to KRS 278 & 807 KAR 5:068; The Harrison County Water Association, Inc. will begin charging \$0.37 per 1,000.00 gallons purchased and/or used for each of its customers. This rate for each additional 1,000 gallons purchased and/or used shall be as follows (The current rate is reflected in the chart with the new proposed rate)

807 KAR 5:068, Section 5, (4)(b)(c)

THIS RATE DOES NOT REFLECT ANY PASS THROUGH FEES IMPOSED BY COUNTY GOVERNMENTS SUCH AS TAXES, FEES, 911 SURCHARGES, ETC.

A) 5/8 inch x 3/4 inch meter

CURRENT RATE

First 2,000 gallons	\$18.89 minimum bill
Next 1,000 gallons	\$7.13 per 1,000 gallons
Next 2,000 gallons	\$6.95 per 1,000 gallons
Next 45,000 gallons	\$6.41 per 1,000 gallons
Over 50,000.00 gallons	\$5.49 per 1,000 gallons

PROPOSED PASS THROUGH RATE

Percentage change

First 2,000 gallons	\$19.63 minimum bill	0.03917141662
Next 1,000 gallons	\$7.50 per 1,000 gallons	0.0518934081
Next 2,000 gallons	\$7.32 per 1,000 gallons	0.0532374101
Next 45,000 gallons	\$6.78 per 1,000 gallons	0.0577223089
Over 50,000.00 gallons	\$5.86 per 1,000 gallons	0.0673952641

B) 3/4 inch Meter

CURRENT RATE

First 3,000 gallons	\$26.02 minimum bill
Next 2,000 gallons	\$6.95 per 1,000 gallons
Next 45,000 gallons	\$6.41 per 1,000 gallons
Over 50,000 gallons	\$5.49 per 1,000 gallons

PROPOSED PASS THROUGH RATE

Percentage change

First 3,000 gallons	\$27.13 minimum bill	0.048218940
Next 2,000 gallons	\$7.06 per 1,000 gallons	0.0532374101
Next 45,000 gallons	\$6.78 per 1,000 gallons	0.0577223089

	Over 50,000 gallons	\$5.86 per 1,000 gallons	0.0673952641
C)	1 inch meter		
	CURRENT RATE		
	First 5,000 gallons	\$39.92 minimum bill	
	Next 45,000 gallons	\$6.41 per 1,000 gallons	
	Over \$50,000 gallons	\$5.49 per 1,000 gallons	
	PROPOSED PASS THROUGH RATE		Percentage change
	First 5,000 gallons	\$41.77 minimum bill	0.0463426854
	Next 45,000 gallons	\$6.78 per 1,000 gallons	0.057395264
	Over \$50,000 gallons	\$5.86 per 1,000 gallons	0.0673952641
D)	1 ½ inch meter		
	CURRENT RATE		
	First 10,000 gallons	\$71.96 minimum bill	
	Next 40,000 gallons	\$6.41 per 1,000 gallons	
	Over 50,000 gallons	\$5.49 per 1,000 gallons	
	PROPOSED PASS THROUGH RATE		Percentage change
	First 10,000 gallons	\$75.66 minimum bill	0.0514174541
	Next 40,000 gallons	\$6.78 per 1,000 gallons	0.0577223089
	Over 50,000 gallons	\$5.86 per 1,000 gallons	0.0675952641
E)	2 inch meter		
	CURRENT RATES		
	First 15,000 gallons	\$103.99 minimum bill	
	Next 35,000 gallons	\$6.41 per 1,000 gallons	
	Over 50,000 gallons	\$5.49 per 1,000 gallons	
	PROPOSED RATES		Percentage change
	First 15,000 gallons	\$109.54 minimum bill	0.0533705164
	Next 35,000 gallons	\$6.78 per 1,000 gallons	0.0577223089
	Over 50,000 gallons	\$5.86 per 1,000 gallons	0.067395264
F)	Bulk Loading Station		
	Current Rate	\$7.73 per 1,000 gallons	Percentage change
	Proposed Rate	\$8.10 per 1,000 gallons	0.0478654592

The total pass through rate adjustment equates to thirty seven cents (\$0.37) per one thousand gallons sold.

THIS RATE DOES NOT REFLECT ANY PASS THROUGH FEES IMPOSED BY COUNTY GOVERNMENTS SUCH AS TAXES, FEES, 911 SURCHARGES, ETC.

The average usage bill for the period of September 2018 to August 2019, consumed 4,444 gallons per month with an average bill of \$39.92. The proposed rate increase on the same average usage would \$1.85 to \$41.77; a 0.0463426844 percent average increase change. 807 KAR 5:068, Section 5, (4)(d)

This rate increase will begin for the November 15 to December 15, 2019 meter reading period, which will be billed in the period of January 1-5, 2020; **if the Kentucky Public Service Commission should so approve. The Kentucky Public Service shall deny or approve the pass through rate within thirty (30) days of the application being filed, thus a ruling approving, denying or modifying will be made prior to the billing period expiring and being billed; wherein no increase shall be billed unless approved by the Kentucky Public Service Commission prior to bills being printed for the November 15-December 15, 2019 water usage period. 807 KAR 5:068, Section 5, (4)(a)**

This pass through rate adjustment increase is being advertised to all customers to notify each customer of the intended rate increase. This rate increase approval has been requested from the Kentucky Public Service Commission, who has authority to approve or deny said requested rate increase. Any customer who wishes to make any comments regarding the requested pass through rate adjustment shall make those comments to the Kentucky Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky, 40601, Monday-Friday, 8:00 a.m. to 4:30 p.m., or through their website at <http://psc.ky.gov>; 807 KAR 5:068, Section 5.

A copy of the resolution of the Harrison County Water Association, Inc. requesting the pass through rate increase and a copy of the request for approval of the pass through rate increase to the Kentucky Public Service Commission, can be obtained by request to the office staff of the Harrison County Water Association, Inc. during normal business hours and days of operation, which is located at U.S. Hwy 27 N., Cynthiana Kentucky, Monday-Friday, 8:00 a.m. to 4:00 p.m.; Additionally, a copy of the requested rate pass through application can be examined at the Kentucky Public Service Commission's office, located at 211 Sower Boulevard, Frankfort, Kentucky, 40601, Monday-Friday, 8:00 a.m. to 4:30 p.m., or through their website at <http://psc.ky.gov>; 807 KAR 5:068, Section 5, (4)(e)(f).