

**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

September 9, 2020

Mr. Kent A. Chandler
Acting Executive Director
Kentucky 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 Mr. Chandler:

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 has been notified by its supplier, Lebanon Water Works Company, that it will increase its volumetric wholesale rates by \$0.18 per 100 cubic feet (\$0.2406 per 1000 gallons). This increase will become effective on September 15, 2020. The result of the increase is \$112,008.23 in additional annual supply cost for the District. This translates into \$0.30 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,


Toby Spalding, Manager

TS/jlm

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

Name of Utility	Marion County Water District		
Date	9/9/20		
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: \$3.07 <i>Equivalent Rate per 1,000 gallons: \$4.1040</i>	Monthly Meter Service Charge: \$94.08 (Twelve (12) meters @ \$7.84 per meter) Rate per 100 Cubic Feet: \$3.25 <i>Equivalent Rate per 1,000 gallons: \$4.3446</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 2019	through	August 2020
	(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	465,537,134
Campbellsville Municipal Water & Sewer	3,509,600
TOTAL PURCHASES	469,046,734

4. Total sales for the 12 month period 385,673,691

5. Increased water cost \$112,008.23

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

6. Purchased water adjustment factor \$0.30

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 September 15, 2020

Signature of Utility Officer

Manager

Title

Increased Water Cost Calculation:

Lebanon Water Works Company

$$(12 \times \$94.08) + (465,537.134 \times 4.3446) = \$2,023,701.59$$

$$(12 \times \$94.08) + (465,537.134 \times 4.1040) = \$1,911,693.36$$

$$\text{Increased Water Cost} = \$112,008.23$$

Purchased Water Adjustment Factor Calculation:

$$\text{Increased Water Cost} = \$112,008.23$$

$$\text{Total Gallons Sold} = 385,673,691$$

$$\$112,008.23 / 385,673.691 = \$0.2904 \text{ per 1000 Gallons}$$

$$= \$0.30 \text{ per 1000 Gallons}$$

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

Lebanon Water Works Company
(Name of Utility)

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

First Revised SHEET NO. 1

CLASSIFICATION OF SERVICE

Marion County Water District Water Rates

Meter Charge, per meter per month \$ 7.84

Volume Charge per 100 Cubic Feet

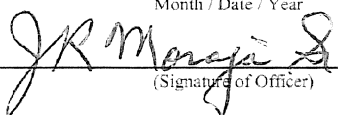
Step 1 (Effective November 15, 2019) \$3.07 (I)

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)

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

DATE EFFECTIVE November 15, 2019
Month / Date / Year

ISSUED BY 
(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 2019	39,148,375	151,872.54
October 2019	39,305,530	152,481.83
November 2019	37,855,756	146,861.09
December 2019	36,887,470	151,490.52
January 2020	35,647,511	146,401.39
February 2020	35,019,565	143,824.13
March 2020	37,347,191	153,377.35
April 2020	36,894,576	151,519.69
May 2020	38,291,616	157,253.54
June 2020	45,493,360	186,811.50
July 2020	42,842,448	175,931.41
August 2020	40,803,736	167,563.97
TOTAL	465,537,134	\$1,885,388.96

CAMPBELLSVILLE MUNICIPAL WATER & SEWER

Month	Usage/Gallons	Total Cost
September 2018	296,200	\$750.08
October	289,900	\$735.27
November	280,800	\$713.89
December	284,300	\$722.11
January	201,400	\$527.30
February	248,500	\$637.98
March	238,500	\$614.49
April	244,800	\$629.28
May	448,400	\$1,107.75
June	300,700	\$760.65
July	329,600	\$828.57
August 2019	346,500	\$868.28
TOTAL	3,509,600	\$8,895.65

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

Month	Residential	Commercial	Other	Total Gallons Sold
September 2019	26,680,382	7,855,427	835,010	35,370,819
October 2019	28,528,762	8,050,717	959,601	37,539,080
November 2019	24,852,937	7,969,716	899,769	33,722,422
December 2019	21,567,939	6,924,833	615,943	29,108,715
January 2020	21,704,027	6,781,541	401,840	28,887,408
February 2020	21,518,764	6,765,406	418,080	28,702,250
March 2020	20,427,600	6,564,824	475,975	27,468,399
April 2020	22,243,595	6,780,284	377,636	29,401,515
May 2020	23,796,972	6,266,932	299,722	30,363,626
June 2020	27,094,089	5,916,223	276,337	33,286,649
July 2020	28,667,225	7,850,787	298,348	36,816,360
August 2020	27,328,194	7,349,711	328,543	35,006,448
TOTAL	294,410,486	85,076,401	6,186,804	385,673,691

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 September 15, 2020. An application requesting the proposed rates was filed with the Kentucky Public Service Commission on September 9, 2020 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
<u>Water Charge</u>				
All Usage, per 1000 gallons:	\$6.57	\$6.87	\$0.30	4.57%

As noted above, based on the increased cost of water from the Lebanon Water Works Company all rates will increase \$0.30 per 1,000 gallons. The monthly bill for an average residential customer using 5,278 gallons of water each month will increase from \$42.13 to \$43.71. This is an increase of \$1.58 or 3.75%.

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

4th Revised SHEET NO. 1

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

3rd Revised SHEET NO. 1

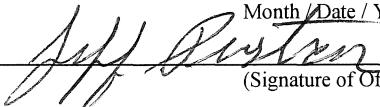
Marion County Water District
(Name of Utility)

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	\$6.87 (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 September 9, 2020
Month / Date / Year

DATE EFFECTIVE September 15, 2020
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE Chairman

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

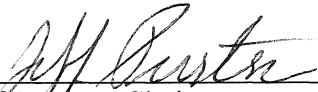
RESOLUTION OF AUTHORIZATION

The Marion County Water District hereby orders 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 September 15, 2020. 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 September 9, 2020. The rates proposed therein shall become effective for service rendered on or after September 15, 2020

Action herein ordered shall be duly recorded in the minutes of this public meeting of the Marion County Water District held on this 8th day of September, 2020.

Ordered this the 8th day of September, 2020.

Signed:



Jeff Preston, Chairman

Attest:



Everett Thomas, Secretary