

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

Name of Utility	Hardin County Water District No. 2	
Date	6/4/2021	
Address	P.O. Box 970	
City, State, Zip	Elizabethtown, KY	42702
Telephone Number	(270) 737-1056	
Email Address	pscmailbox@hcwd2.org	

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
Louisville Water Company	\$2.41/1,000 Gallons \$2,284.29/month	\$2.46/1,000 Gallons \$2,364.24/month

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

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	April 2020	through	March 2021
	(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. See Exhibit **B**.


Supplier(s)	Gallons Purchased during 12 month period
Louisville Water Company	275,243,000
TOTAL PURCHASES	275,243,000
4. Total gallons sold for the 12 month period	2,250,443,987
5. Increased water cost	\$14,721.55
<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 B</p>	
6. Purchased water adjustment factor	\$0.0065 rounds to \$0.01
<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 C	
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	July 1, 2021
	
Signature of Utility Officer	
General Manager	
Title	

EXHIBIT LIST

HARDIN COUNTY WATER DISTRICT NO. 2 – PURCHASED WATER ADJUSTMENT

- A. Notice of Increased Rates from Louisville Water Company
- B. Cost Increase Calculations
Gallons Purchased by Month
Gallons Sold by Month
- C. Schedule of Current and Proposed Rates
- D. Resolution Adjusting Water Rates and Charges to Offset the Louisville Water Company Wholesale Rate Increase

EXHIBIT A

NOTICE

Notice is hereby given that the Louisville Water Company ("LWC") plans to file with the Public Service Commission ("PSC") on or before March 30, 2021 to increase its rates for wholesale water service to Hardin County Water District No. 2 effective July 1, 2021. The proposed rates are as follows:

	<u>Current Rate</u>	<u>New Rate</u>	<u>\$ Change</u>	<u>% Change</u>
Monthly Service Charge (Per Meter)				
10" Meter	\$2,284.29	\$2,364.24	\$79.95	3.5%
Commodity Rate (per 1,000 gallons)				
Volume Charge				
(per 1,000 gallons)	\$2.00	\$2.02	\$0.02	1.0%
Elevated Service Area Surcharge				
(per 1,000 gallons)	<u>0.41</u>	<u>0.44</u>	<u>0.03</u>	<u>7.3%</u>
Total Commodity Rate				
(per 1,000 gallons)	\$2.41	\$2.46	\$0.05	\$2.1%

The rates contained in this notice are the rates proposed by LWC but the PSC may order rates to be charged that differ from the proposed rates contained in this notice.

Any person may examine this filing by visiting LWC's office located at 550 S. 3rd Street in Louisville, Kentucky or by contacting Michael Tigue at the same address as above or by phone at 502-569-0808.

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

Comments regarding the filing may be submitted to the PSC through its website or by mail to Public Service Commission, Post Office Box 615, Frankfort, KY 40602.

A timely written request for intervention that establishes grounds for the request may also be submitted to the PSC. The PSC may take final action on the filing if a written request for intervention is not received within 30-days of the date notice was given.

EXHIBIT B

Purchased Water Adjustment for HCWD#2

	Current Rate	New Rate Effective July 2021	Difference
LWC Monthly Meter Rate	\$ 2,284.29	\$ 2,364.24	\$ 79.95
LWC Rate/1000	\$ 2.41	\$ 2.46	\$ 0.05

Date	Gallons Purchased from LWC	Gallons Sold by HCWD2
Apr-20	20,253,000	173,634,861
May-20	14,031,000	160,160,031
Jun-20	8,777,000	181,099,584
Jul-20	9,412,000	212,330,580
Aug-20	9,990,000	205,630,629
Sep-20	11,464,000	193,573,539
Oct-20	10,696,000	191,059,925
Nov-20	8,383,000	179,068,331
Dec-20	46,572,000	200,241,705
Jan-21	46,566,000	213,147,746
Feb-21	41,875,000	173,329,871
Mar-21	47,224,000	167,167,185
Total	275,243,000	2,250,443,987

Increase Water Cost **\$ 14,721.55**

Increase Water Cost = (difference between current rate per thousand and new rate per thousand x total gallons purchased x 0.001) + (difference between current monthly meter rate and new monthly meter rate x 12)

Adjustment Factor **\$ 0.0065**

Adjustment Factor = Increase Water Cost divided by the total gallons sold x 0.001

EXHIBIT C

Current Rates			
Meter Size			
5/8 X 3/4 Inch Connection			
First	2,000 gallons	\$	18.50 (Minimum Bill)
Next	498,000 gallons		5.15 per 1,000 gallons
Over	500,000 gallons		2.90 per 1,000 gallons
1 Inch Connection			
First	5,000 gallons	\$	33.95 (Minimum Bill)
Next	495,000 gallons		5.15 per 1,000 gallons
Over	500,000 gallons		2.90 per 1,000 gallons
1-1/2 Inch Connection			
First	10,000 gallons	\$	59.70 (Minimum Bill)
Next	490,000 gallons		5.15 per 1,000 gallons
Over	500,000 gallons		2.90 per 1,000 gallons
2 Inch Connection			
First	20,000 gallons	\$	111.20 (Minimum Bill)
Next	480,000 gallons		5.15 per 1,000 gallons
Over	500,000 gallons		2.90 per 1,000 gallons
3 Inch Connection			
First	30,000 gallons	\$	162.70 (Minimum Bill)
Next	470,000 gallons		5.15 per 1,000 gallons
Over	500,000 gallons		2.90 per 1,000 gallons
4 Inch Connection			
First	50,000 gallons	\$	265.70 (Minimum Bill)
Next	450,000 gallons		5.15 per 1,000 gallons
Over	500,000 gallons		2.90 per 1,000 gallons
6 Inch Connection			
First	100,000 gallons	\$	523.20 (Minimum Bill)
Next	400,000 gallons		5.15 per 1,000 gallons
Over	500,000 gallons		2.90 per 1,000 gallons
8 Inch Connection			
First	150,000 gallons	\$	780.70 (Minimum Bill)
Next	350,000 gallons		5.15 per 1,000 gallons
Over	500,000 gallons		2.90 per 1,000 gallons
10 Inch Connection			
First	250,000 gallons	\$	1,295.70 (Minimum Bill)
Next	250,000 gallons		5.15 per 1,000 gallons
Over	500,000 gallons		2.90 per 1,000 gallons
12 Inch Connection			
First	400,000 gallons	\$	2,068.20 (Minimum Bill)
Next	100,000 gallons		5.15 per 1,000 gallons
Over	500,000 gallons		2.90 per 1,000 gallons

Proposed Rates			
Meter Size			
5/8 X 3/4 Inch Connection			
First	2,000 gallons	\$	18.52 (Minimum Bill)
Next	498,000 gallons		5.16 per 1,000 gallons
Over	500,000 gallons		2.91 per 1,000 gallons
1 Inch Connection			
First	5,000 gallons	\$	34.00 (Minimum Bill)
Next	495,000 gallons		5.16 per 1,000 gallons
Over	500,000 gallons		2.91 per 1,000 gallons
1-1/2 Inch Connection			
First	10,000 gallons	\$	59.80 (Minimum Bill)
Next	490,000 gallons		5.16 per 1,000 gallons
Over	500,000 gallons		2.91 per 1,000 gallons
2 Inch Connection			
First	20,000 gallons	\$	111.40 (Minimum Bill)
Next	480,000 gallons		5.16 per 1,000 gallons
Over	500,000 gallons		2.91 per 1,000 gallons
3 Inch Connection			
First	30,000 gallons	\$	163.00 (Minimum Bill)
Next	470,000 gallons		5.16 per 1,000 gallons
Over	500,000 gallons		2.91 per 1,000 gallons
4 Inch Connection			
First	50,000 gallons	\$	266.20 (Minimum Bill)
Next	450,000 gallons		5.16 per 1,000 gallons
Over	500,000 gallons		2.91 per 1,000 gallons
6 Inch Connection			
First	100,000 gallons	\$	524.20 (Minimum Bill)
Next	400,000 gallons		5.16 per 1,000 gallons
Over	500,000 gallons		2.91 per 1,000 gallons
8 Inch Connection			
First	150,000 gallons	\$	782.20 (Minimum Bill)
Next	350,000 gallons		5.16 per 1,000 gallons
Over	500,000 gallons		2.91 per 1,000 gallons
10 Inch Connection			
First	250,000 gallons	\$	1,298.20 (Minimum Bill)
Next	250,000 gallons		5.16 per 1,000 gallons
Over	500,000 gallons		2.91 per 1,000 gallons
12 Inch Connection			
First	400,000 gallons	\$	2,072.20 (Minimum Bill)
Next	100,000 gallons		5.16 per 1,000 gallons
Over	500,000 gallons		2.91 per 1,000 gallons

EXHIBIT D

RESOLUTION NO. 2021-05-01

**A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE HARDIN COUNTY WATER DISTRICT NO. 2
ADJUSTING WATER RATES AND CHARGES TO OFFSET
THE LOUISVILLE WATER COMPANY WHOLESALE
RATE INCREASE**

WHEREAS, the Louisville Water Company (“LWC”) provides wholesale water service to Hardin County Water District No. 2 (“District”);

WHEREAS, on March 30, 2021 the LWC filed an application with the Kentucky Public Service Commission (“PSC”) seeking to increase the wholesale water rate that LWC charges the District from \$2.41 to \$2.46 per 1,000 gallons and seeking to increase the monthly meter fee that LWC charges the District (See PSC Case TFS2021-00115);

WHEREAS, based upon the water purchases from LWC during the previous 12 months and the increased monthly meter fee at the master meter location, the estimated annual increased cost to the District will be **\$14,722**;

WHEREAS, prudent financial management dictates that the District take immediate action to adjust its retail rates commensurate with LWC’s wholesale rate increase; and

WHEREAS, KRS 278.015 and 807 KAR 5:068 provide the legal mechanism for the District to increase its water rates commensurate with LWC's wholesale rate increase via a Purchased Water Adjustment ("PWA");

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF HARDIN COUNTY WATER DISTRICT NO. 2 AS FOLLOWS:

Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. The PWA factor is **\$0.01** per 1,000 gallons;

Section 3. All tiers of water usage set forth in the District's existing tariff shall be increased by **\$0.01** per 1,000 gallons, subject to any minor adjustment that may be made by the PSC.

Section 4. The monthly water rates to be charged to and collected from the customers and users of the water system of the District shall be as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The rates and charges set forth in **Appendix A** are subject to any minor adjustment that may be made by the PSC. These monthly rates and charges shall be in effect for all water service rendered on and after July 1, 2021.


Section 5. The General Manager is hereby authorized and directed to execute and file the PWA Application, Tariff Sheet, and all other documents that may be required by the PSC.

Section 6. The General Manager, all appropriate District Staff, and the District's attorney are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to implement the PWA.

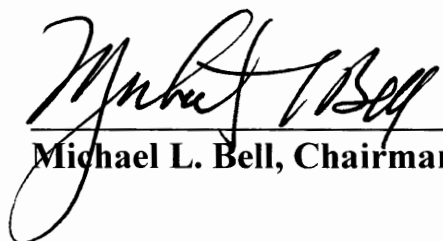
Section 7. This Resolution shall take effect upon its adoption.

ADOPTED BY THE COMMISSION OF HARDIN COUNTY WATER DISTRICT NO. 2 at a meeting held on May 18, 2021, signed by the Chairman, and attested by the Secretary.

ATTEST:



Morris L. Miller, Secretary




Michael L. Bell, Chairman

CERTIFICATION

I, Secretary of the Hardin County Water District No. 2 (the "District"), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Commission of the District at a meeting properly held on May 18, 2021, signed by the Chairman of the Commission, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 18th day of May, 2021.



Morris L. Miller, Secretary

APPENDIX A

NOTICE OF PROPOSED ADJUSTMENT OF WATER RATES

HARDIN COUNTY WATER DISTRICT NO. 2

Due to a rate increase from Louisville Water Company, notice is hereby given that Hardin County Water District No. 2 (the “District”) has filed an application for a Purchased Water Adjustment with the Kentucky Public Service Commission for adjusting its water rates. Customer rates will increase by \$0.01 per 1,000 gallons used. The proposed change will be effective for service rendered on and after July 1, 2021.

Monthly Water Rates

Meter Size	Current Rates	Proposed Rates	Dollar Increase	Percent Increase
5/8 X 3/4 Inch Connection				
First 2,000 gallons	\$ 18.50 (Minimum Bill)	\$ 18.52 (Minimum Bill)	\$ 0.02	0.11%
Next 498,000 gallons	5.15 per 1,000 gallons	5.16 per 1,000 gallons	0.01	0.19%
Over 500,000 gallons	2.90 per 1,000 gallons	2.91 per 1,000 gallons	0.01	0.34%
1 Inch Connection				
First 5,000 gallons	\$ 33.95 (Minimum Bill)	\$ 34.00 (Minimum Bill)	\$ 0.05	0.15%
Next 495,000 gallons	5.15 per 1,000 gallons	5.16 per 1,000 gallons	0.01	0.19%
Over 500,000 gallons	2.90 per 1,000 gallons	2.91 per 1,000 gallons	0.01	0.34%

1-1/2 Inch Connection

First 10,000 gallons	\$ 59.70 (Minimum Bill)	\$ 59.80 (Minimum Bill)	\$ 0.10	0.17%
Next 490,000 gallons	5.15 per 1,000 gallons	5.16 per 1,000 gallons	0.01	0.19%
Over 500,000 gallons	2.90 per 1,000 gallons	2.91 per 1,000 gallons	0.01	0.34%

2 Inch Connection

First 20,000 gallons	\$ 111.20 (Minimum Bill)	\$ 111.40 (Minimum Bill)	\$ 0.20	0.18%
Next 480,000 gallons	5.15 per 1,000 gallons	5.16 per 1,000 gallons	0.01	0.19%
Over 500,000 gallons	2.90 per 1,000 gallons	2.91 per 1,000 gallons	0.01	0.34%

3 Inch Connection

First 30,000 gallons	\$ 162.70 (Minimum Bill)	\$ 163.00 (Minimum Bill)	\$ 0.30	0.18%
Next 470,000 gallons	5.15 per 1,000 gallons	5.16 per 1,000 gallons	0.01	0.19%
Over 500,000 gallons	2.90 per 1,000 gallons	2.91 per 1,000 gallons	0.01	0.34%

4 Inch Connection

First 50,000 gallons	\$ 265.70 (Minimum Bill)	\$ 266.20 (Minimum Bill)	\$ 0.50	0.19%
Next 450,000 gallons	5.15 per 1,000 gallons	5.16 per 1,000 gallons	0.01	0.19%
Over 500,000 gallons	2.90 per 1,000 gallons	2.91 per 1,000 gallons	0.01	0.34%

6 Inch Connection

First 100,000 gallons	\$ 523.20 (Minimum Bill)	\$ 524.20 (Minimum Bill)	\$ 1.00	0.19%
Next 400,000 gallons	5.15 per 1,000 gallons	5.16 per 1,000 gallons	0.01	0.19%
Over 500,000 gallons	2.90 per 1,000 gallons	2.91 per 1,000 gallons	0.01	0.34%

8 Inch Connection

First 150,000 gallons	\$ 780.70 (Minimum Bill)	\$ 782.20 (Minimum Bill)	\$ 1.50	0.19%
Next 350,000 gallons	5.15 per 1,000 gallons	5.16 per 1,000 gallons	0.01	0.19%
Over 500,000 gallons	2.90 per 1,000 gallons	2.91 per 1,000 gallons	0.01	0.34%

10 Inch Connection

First 250,000 gallons	\$ 1,295.70 (Minimum Bill)	\$ 1,298.20 (Minimum Bill)	\$ 2.50	0.19%
Next 250,000 gallons	5.15 per 1,000 gallons	5.16 per 1,000 gallons	0.01	0.19%
Over 500,000 gallons	2.90 per 1,000 gallons	2.91 per 1,000 gallons	0.01	0.34%

12 Inch Connection

First 400,000 gallons	\$ 2,068.20 (Minimum Bill)	\$ 2,072.20 (Minimum Bill)	\$ 4.00	0.19%
Next 100,000 gallons	5.15 per 1,000 gallons	5.16 per 1,000 gallons	0.01	0.19%
Over 500,000 gallons	2.90 per 1,000 gallons	2.91 per 1,000 gallons	0.01	0.34%

Effect Upon Average Bill. The District’s residential customers use an average of 4,000 gallons per month and the average residential bill will increase from \$28.80 to \$28.84. This is an increase of \$0.04 or 0.14%.

Effective Date. The District proposes to place the rates into effect for all water used on and after July 1, 2021.

Examination Of Application. Any person may examine the District’s application during normal business hours at the following locations: (1) Hardin County Water District No. 2 Customer Service Center, 360 Ring Road, Elizabethtown, Kentucky (Telephone 270-737-1056); (2) Public Service Commission’s offices, 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m.; (3) through the District’s website at <https://www.hcwd2.org/>; or (4) through the PSC’s website at <http://psc.ky.gov>.

HARDIN COUNTY WATER DISTRICT NO. 2