



October 12, 2021

Mr. Marvin Wilson
Wilson Law Firm, PLLC
635 Trade Avenue
PO Box 460
Eddyville, KY 42038

RE: Lyon County Water District – Previous Rate Study Information

Dear Mr. Wilson,

Per your request, I have researched all previous rate cases available from Lyon County Water District. Each PSC order is attached to this letter.

Case No. 9524 – July 11th 1986 – the application of Lyon County Water District, Lyon County, Kentucky (1) for a certificate of public convenience and necessity authorizing said district to construct major improvements and extensions to its existing municipal water distribution system pursuant to the provisions of Chapter 74 of the Kentucky Revised statutes; (2) seeking approval of the issuance of certain securities; (3) for an adjustment of rates, and (4) approval to purchase Lake Barkley Water System, Inc.

Case No. 9872 – September 8th, 1987 – the application of Lyon County Water District for approval of tap fees, non-recurring charges, and revised rules for provision of water service

Case No. 1989-00144 – June 16th, 1989 – Purchased Water Adjustment of Lyon County Water District

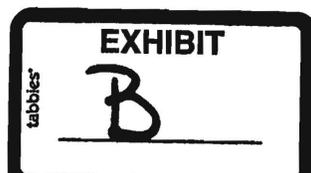
Case No. 1995 – 03085 – October 6th, 1995 - THE APPLICATION OF THE LYON COUNTY WATER DISTRICT ORGANIZED PURSUANT TO CHAPTER 74 OF THE KENTUCKY REVISED STATUTES, IN LYON COUNTY, KENTUCKY, FOR (1) A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AUTHORIZING AND PERMITTING SAID WATER DISTRICT TO CONSTRUCT WATER DISTRIBUTION SYSTEM IMPROVEMENTS, HEREINAFTER IDENTIFIED; (2) THE APPROVAL OF THE PROPOSED PLAN OF FINANCING FOR SAID IMPROVEMENTS; AND (3) THE APPROVAL OF AN INCREASE IN THE RATES AND CHARGES FOR WATER SERVICE SUPPLIED BY THE DISTRICT

Case No. 2002-00307 – September 18, 2002 - THE APPLICATION OF LYON COUNTY WATER DISTRICT FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT, FINANCE AND INCREASE RATES PURSUANT TO KRS 278.023

Case No. 2004-00361 – November 24, 2004 – Purchased Water Adjustment of Lyon County Water District

hdrinc.com

4645 Village Square Drive, Suite F, Paducah, KY 42001-7448
(270) 444-9691



Case No. 2009-00474 – February 22, 2010 - APPLICATION OF LYON COUNTY WATER DISTRICT TO REVISE NONRECURRING CHARGES

Case No. 2011-00275 – August 10, 2011 – Purchased Water Adjustment of Lyon County Water District

Case No. 2014-00313 – September 29, 2014 – Purchased Water Adjustment of Lyon County Water District

Case No. 2015-00102 – April 23, 2015 – Purchased Water Adjustment of Lyon County Water District

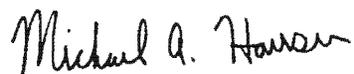
Case No. 2015-00376 – January 7, 2016 - APPLICATION OF LYON COUNTY WATER DISTRICT FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT, FINANCE, AND INCREASE RATES PURSUANT TO KRS 278.023

Case No. 2021-00195 – June 4th, 2021 – Purchased Water Adjustment Filing of Lyon County Water District

Case No. 2021-00391 – Currently Open – Application of Lyon County Water District for a rate adjustment pursuant to KAR 5:076

After you have taken time to review the data, please don't hesitate to contact me with any questions via email at mike.hansen@hdrinc.com or via my mobile at 270-564-3446.

Sincerely,
HDR Engineering, Inc.

A handwritten signature in black ink that reads "Michael A. Hansen". The signature is written in a cursive, slightly slanted style.

Michael A. Hansen, P.E.
Water Business Group Manager

Marvin Lee Wilson

From: KY Public Service Commission <PSCFilings@ky.gov>
Sent: Friday, May 7, 2021 6:52 AM
To: Hansen, Mike
Subject: Thank You for registering with the PSC Website!

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Thank you for taking the time to complete the Kentucky Public Service Commission's online registration. Please click the link below to verify your email address.

[Click here](#) to confirm this is your email address.

Please do not respond directly to this e-mail, as the mailbox is not monitored.

Marvin Lee Wilson

From: Bruner, Brandon S (PSC) <brandon.bruner@ky.gov>
Sent: Friday, May 7, 2021 7:46 AM
To: Hansen, Mike
Subject: PSC E-Filing Instructions
Attachments: filing_instructions_web.pdf; Notice of Electronic Filing_RE.pdf

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Please be advised, during the COVID-19 Emergency, as Ordered in Case No. 2020-00085, the Commission is asking that all utilities utilize electronic filing procedures for case related documents. To establish a new case, please complete the Notice of Intent (attached) and email the completed form to psced@ky.gov. We will then process the form and establish a new electronic case. You will be sent an acknowledgement letter by email with the case number. You will then be required to use our web portal on our website to upload your application and corresponding documentation. You must also register an account in order to use our electronic filing system. You may do so here. If I can provide further assistance in this matter, please contact me.

Best Regards,

Brandon Bruner
Administrative Branch Manager
Filings Branch
General Administration

Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601
502-782-6329

Marvin Lee Wilson

From: Hansen, Mike <Mike.Hansen@hdrinc.com>
Sent: Friday, May 7, 2021 8:14 AM
To: psced@ky.gov
Subject: Notice of Electronic Filing - Purchased Water Adjustment Lyon County Water District
Attachments: Notice of Electronic Filing.pdf

Good Morning,

Please see the attached notice of electronic filing for a purchased water adjustment for the Lyon County Water District.

Thanks – Mike

Mike Hansen, PE
KY/TN/AR Water Business Group Manager

HDR
120 Brentwood Commons Way, Suite 525
Brentwood, TN 37027
D 629.228.7559 M 270.564.3446
Mike.Hansen@hdrinc.com

hdrinc.com/follow-us

Marvin Lee Wilson

From: Bruner, Brandon S (PSC) <brandon.bruner@ky.gov> on behalf of PSC Executive Director <PSCED@ky.gov>
Sent: Friday, May 7, 2021 9:28 AM
To: Hansen, Mike
Cc: Hembree, Aimee M (PSC); Smith, Renee C (PSC); Bridwell, Linda C (PSC)
Subject: RE: Notice of Electronic Filing - Purchased Water Adjustment Lyon County Water District

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

We have received your above referenced filing. If you need further assistance please contact me. Thanks.

Best Regards,

Brandon Bruner
Administrative Branch Manager
Filings Branch
General Administration

Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601
502-782-6329

From: Hansen, Mike <Mike.Hansen@hdrinc.com>
Sent: Friday, May 7, 2021 9:14 AM
To: PSC Executive Director <PSCED@ky.gov>
Subject: Notice of Electronic Filing - Purchased Water Adjustment Lyon County Water District

****CAUTION** PDF attachments may contain links to malicious sites. Please contact the COT Service Desk ServiceCorrespondence@ky.gov for any assistance.**

Good Morning,

Please see the attached notice of electronic filing for a purchased water adjustment for the Lyon County Water District.

Thanks – Mike

Mike Hansen, PE
KY/TN/AR Water Business Group Manager

HDR
120 Brentwood Commons Way, Suite 525
Brentwood, TN 37027
D 629.228.7559 M 270.564.3446
Mike.Hansen@hdrinc.com

hdrinc.com/follow-us

Marvin Lee Wilson

From: KY_PSC Filings <PSCFilings@ky.gov>
Sent: Friday, May 7, 2021 9:52 AM
To: lyoncountyw24787@bellsouth.net; Hansen, Mike; pscfilings@ky.gov
Subject: KY-PSC Electronic Filing Center Notification For Case# 2021-00195

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Confirmation of Posting.

This notification is sent regarding the recent filing for case# 2021-00195 on 5/7/2021 at 10:52 AM

Filed by: PSC

Date/Time Filed: 5/7/2021 10:52:04 AM

The following Document(s) have been posted to the Case File

Linked below is a document from the Kentucky Public Service Commission from case number 2021-00195. This is an official document and service is rendered based upon this email. Pursuant to KRS 278.380 amended by the Kentucky General Assembly during the 2014 General Session, the electronic delivery of all Kentucky Public Service Commission orders is now allowed. This includes data requests, as well as all other case-related documents. Electronic transmission may include either an electronic version of the order or document or a hyperlink to the order or document on the PSC website. The mailing date of the order or document will be the date of the electronic transmission. Any applicant or party desiring delivery of orders or documents by postal mail may request such delivery on a per case basis from the PSC and demonstrate good cause for the request.

PSC Acknowledgment Letter File

You are receiving this message as a member of the service list or participating utility on case: 2021-00195 For more information or if you have problems opening a link received through an electronic notice from the Commission, contact the PSC Filings Branch.

Kentucky Public Service Commission
Address: P.O. Box 615 , 211 Sower Boulevard, Frankfort, Kentucky 40602-0615
Phone: (502) 564-3940, Fax: (502) 564-3460
Office Hours: Monday - Friday 8am - 5pm

SERVICE LIST:

Lyon County Water District Don Robertson - lyoncountyw24787@bellsouth.net
Lyon County Water District - lyoncountyw24787@bellsouth.net
HDR, Inc. Michael Hansen - mike.hansen@hdrinc.com

Marvin Lee Wilson

From: KY_PSC Filings <pscfilings@ky.gov>
Sent: Monday, May 10, 2021 5:10 PM
To: Hansen, Mike
Subject: KY-PSC Electronic Filing Center Notification for Case #2021-00195

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Confirmation of Posting.

This notification is sent regarding the recent filing for case#: 2021-00195 on 5/10/2021 at 6:10 PM

Filed By: Michael Hansen

Date/Time Filed: 5/10/2021 6:10:19 PM

The following documents have been accepted and posted to the Electronic Case File:

File Name	Document Description
Cover_Letter.pdf	(Cover Letter
Purchased_Water_Adjustment_Form.pdf	Purchased Water Adjustment Form
Purchased_Water_Calculation.pdf	Backup Calculations
Proposed_Tariff.pdf	Tariff
Board_Resolution.pdf	Board Resolution
Eddyville_Rate_Notice.pdf	Eddyville Rate notice
Crittenden-Livingston_Water_Rate_notice.pdf	Crittenden-Livingston Rate Notice
20200615_PSC_ORDER.pdf	Fredonia Rate Case Order

https://psc.ky.gov/PSC_WebNet/ViewCaseFilings.aspx?Case=2021-00195

FILERS COPY

Marvin Lee Wilson

From: KY_PSC Filings <pscfilings@ky.gov>
Sent: Monday, May 10, 2021 5:10 PM
To: lyoncountyw24787@bellsouth.net; Hansen, Mike
Cc: pscfilings@ky.gov
Subject: KY-PSC Electronic Filing Center Notification for Case #2021-00195

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Filed By: Michael Hansen

Date/Time Filed: 5/10/2021 6:10:19 PM

The following documents have been accepted and posted to the Electronic Case File:

File Name	Document Description
Cover_Letter.pdf	(Cover Letter
Purchased_Water_Adjustment_Form.pdf	Purchased Water Adjustment Form
Purchased_Water_Calculation.pdf	Backup Calculations
Proposed_Tariff.pdf	Tariff
Board_Resolution.pdf	Board Resolution
Eddyville_Rate_Notice.pdf	Eddyville Rate notice
Crittenden-Livingston_Water_Rate_notice.pdf	Crittenden-Livingston Rate Notice
20200615_PSC_ORDER.pdf	Fredonia Rate Case Order

https://psc.ky.gov/PSC_WebNet/ViewCaseFilings.aspx?Case=2021-00195

SERVICE LIST COPY

You are receiving this message as a member of the service list or participating utility on case: 2021-00195. For more information or if you have problems opening a link received through an electronic notice from the Commission, contact the PSC Division of Filings.

Kentucky Public Service Commission

Address: P.O. Box 615 , 211 Sower Boulevard, Frankfort, Kentucky 40602-0615

Phone: (502) 564-3940, Fax: (502) 564-3460

Office Hours: Monday - Friday 8am - 5pm

Marvin Lee Wilson

From: KY_PSC Filings <PSCFilings@ky.gov>
Sent: Thursday, May 13, 2021 11:28 AM
To: lyoncountyw24787@bellsouth.net; Hansen, Mike; pscfilings@ky.gov
Subject: KY-PSC Electronic Filing Center Notification For Case# 2021-00195

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Confirmation of Posting.

This notification is sent regarding the recent filing for case# 2021-00195 on 5/13/2021 at 12:27 PM

Filed by: PSC

Date/Time Filed: 5/13/2021 12:27:30 PM

The following Document(s) have been posted to the Case File

Linked below is a document from the Kentucky Public Service Commission from case number 2021-00195. This is an official document and service is rendered based upon this email. Pursuant to KRS 278.380 amended by the Kentucky General Assembly during the 2014 General Session, the electronic delivery of all Kentucky Public Service Commission orders is now allowed. This includes data requests, as well as all other case-related documents. Electronic transmission may include either an electronic version of the order or document or a hyperlink to the order or document on the PSC website. The mailing date of the order or document will be the date of the electronic transmission. Any applicant or party desiring delivery of orders or documents by postal mail may request such delivery on a per case basis from the PSC and demonstrate good cause for the request.

PSC Deficiency Letter File

You are receiving this message as a member of the service list or participating utility on case: 2021-00195 For more information or if you have problems opening a link received through an electronic notice from the Commission, contact the PSC Filings Branch.

Kentucky Public Service Commission
Address: P.O. Box 615 , 211 Sower Boulevard, Frankfort, Kentucky 40602-0615
Phone: (502) 564-3940, Fax: (502) 564-3460
Office Hours: Monday - Friday 8am - 5pm

SERVICE LIST:

Lyon County Water District Don Robertson - lyoncountyw24787@bellsouth.net
Lyon County Water District - lyoncountyw24787@bellsouth.net
HDR, Inc. Michael Hansen - mike.hansen@hdrinc.com

Marvin Lee Wilson

From: KY_PSC Filings <pscfilings@ky.gov>
Sent: Thursday, May 13, 2021 12:04 PM
To: Hansen, Mike
Subject: KY-PSC Electronic Filing Center Notification for Case #2021-00195

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Confirmation of Posting.

This notification is sent regarding the recent filing for case#: 2021-00195 on 5/13/2021 at 1:03 PM

Filed By: Michael Hansen

Date/Time Filed: 5/13/2021 1:03:41 PM

The following documents have been accepted and posted to the Electronic Case File:

File Name	Document Description
LCWD_Water_Rates_-_PWA.pdf	Schedule of Existing and Proposed Rates

https://psc.ky.gov/PSC_WebNet/ViewCaseFilings.aspx?Case=2021-00195

FILERS COPY

Marvin Lee Wilson

From: KY_PSC Filings <pscfilings@ky.gov>
Sent: Thursday, May 13, 2021 12:04 PM
To: lyoncountyw24787@bellsouth.net; Hansen, Mike
Cc: pscfilings@ky.gov
Subject: KY-PSC Electronic Filing Center Notification for Case #2021-00195

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Confirmation of Posting.

This notification is sent regarding the recent filing for case#: 2021-00195 on 5/13/2021 at 1:03 PM

Filed By: Michael Hansen

Date/Time Filed: 5/13/2021 1:03:41 PM

The following documents have been accepted and posted to the Electronic Case File:

File Name	Document Description
LCWD_Water_Rates_-_PWA.pdf	Schedule of Existing and Proposed Rates

https://psc.ky.gov/PSC_WebNet/ViewCaseFilings.aspx?Case=2021-00195

SERVICE LIST COPY

You are receiving this message as a member of the service list or participating utility on case: 2021-00195. For more information or if you have problems opening a link received through an electronic notice from the Commission, contact the PSC Division of Filings.

Kentucky Public Service Commission

Address: P.O. Box 615 , 211 Sower Boulevard, Frankfort, Kentucky 40602-0615

Phone: (502) 564-3940, Fax: (502) 564-3460

Office Hours: Monday - Friday 8am - 5pm

Marvin Lee Wilson

From: KY_PSC Filings <PSCFilings@ky.gov>
Sent: Friday, May 14, 2021 7:39 AM
To: lyoncountyw24787@bellsouth.net; Hansen, Mike; pscfilings@ky.gov
Subject: KY-PSC Electronic Filing Center Notification For Case# 2021-00195

Follow Up Flag: Follow up
Flag Status: Flagged

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Confirmation of Posting.

This notification is sent regarding the recent filing for case# 2021-00195 on 5/14/2021 at 8:38 AM

Filed by: PSC

Date/Time Filed: 5/14/2021 8:38:28 AM

The following Document(s) have been posted to the Case File

Linked below is a document from the Kentucky Public Service Commission from case number 2021-00195. This is an official document and service is rendered based upon this email. Pursuant to KRS 278.380 amended by the Kentucky General Assembly during the 2014 General Session, the electronic delivery of all Kentucky Public Service Commission orders is now allowed. This includes data requests, as well as all other case-related documents. Electronic transmission may include either an electronic version of the order or document or a hyperlink to the order or document on the PSC website. The mailing date of the order or document will be the date of the electronic transmission. Any applicant or party desiring delivery of orders or documents by postal mail may request such delivery on a per case basis from the PSC and demonstrate good cause for the request.

PSC Deficiency Cured Letter File

You are receiving this message as a member of the service list or participating utility on case: 2021-00195 For more information or if you have problems opening a link received through an electronic notice from the Commission, contact the PSC Filings Branch.

Kentucky Public Service Commission
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SERVICE LIST:

Lyon County Water District Don Robertson - lyoncountyw24787@bellsouth.net
Lyon County Water District - lyoncountyw24787@bellsouth.net
HDR, Inc. Michael Hansen - mike.hansen@hdrinc.com

Marvin Lee Wilson

From: KY_PSC Filings <pscfilings@ky.gov>
Sent: Wednesday, June 2, 2021 10:06 AM
To: lyoncountyw24787@bellsouth.net; Hansen, Mike
Cc: pscfilings@ky.gov
Subject: KY-PSC Electronic Filing Center Notification for Case #2021-00195

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Confirmation of Posting.

This notification is sent regarding the recent filing for case#: 2021-00195 on 6/2/2021 at 11:06 AM

Filed By: Michael Hansen

Date/Time Filed: 6/2/2021 11:06:07 AM

The following documents have been accepted and posted to the Electronic Case File:

File Name	Document Description
06-02-21_PWA_Lyon_County.pdf	Letter Acknowledging the Amended PWA Factor

https://psc.ky.gov/PSC_WebNet/ViewCaseFilings.aspx?Case=2021-00195

SERVICE LIST COPY

You are receiving this message as a member of the service list or participating utility on case: 2021-00195. For more information or if you have problems opening a link received through an electronic notice from the Commission, contact the PSC Division of Filings.

Kentucky Public Service Commission
Address: P.O. Box 615 , 211 Sower Boulevard, Frankfort, Kentucky 40602-0615
Phone: (502) 564-3940, Fax: (502) 564-3460
Office Hours: Monday - Friday 8am - 5pm

Marvin Lee Wilson

From: KY_PSC Filings <pscfilings@ky.gov>
Sent: Wednesday, June 2, 2021 10:06 AM
To: Hansen, Mike
Subject: KY-PSC Electronic Filing Center Notification for Case #2021-00195

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Confirmation of Posting.

This notification is sent regarding the recent filing for case#: 2021-00195 on 6/2/2021 at 11:06 AM

Filed By: Michael Hansen

Date/Time Filed: 6/2/2021 11:06:07 AM

The following documents have been accepted and posted to the Electronic Case File:

File Name	Document Description
06-02-21_PWA_Lyon_County.pdf	Letter Acknowledging the Amended PWA Factor

https://psc.ky.gov/PSC_WebNet/ViewCaseFilings.aspx?Case=2021-00195

FILERS COPY

Marvin Lee Wilson

From: KY_PSC Filings <PSCFilings@ky.gov>
Sent: Friday, June 4, 2021 8:03 AM
To: lyoncountyw24787@bellsouth.net; Hansen, Mike; pscfilings@ky.gov
Subject: KY-PSC Electronic Filing Center Notification For Case# 2021-00195

Follow Up Flag: Follow up
Flag Status: Flagged

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Confirmation of Posting.

This notification is sent regarding the recent filing for case# 2021-00195 on 6/4/2021 at 9:02 AM

Filed by: PSC

Date/Time Filed: 6/4/2021 9:02:42 AM

The following Document(s) have been posted to the Case File

Linked below is a document from the Kentucky Public Service Commission from case number 2021-00195. This is an official document and service is rendered based upon this email. Pursuant to KRS 278.380 amended by the Kentucky General Assembly during the 2014 General Session, the electronic delivery of all Kentucky Public Service Commission orders is now allowed. This includes data requests, as well as all other case-related documents. Electronic transmission may include either an electronic version of the order or document or a hyperlink to the order or document on the PSC website. The mailing date of the order or document will be the date of the electronic transmission. Any applicant or party desiring delivery of orders or documents by postal mail may request such delivery on a per case basis from the PSC and demonstrate good cause for the request.

Order File

You are receiving this message as a member of the service list or participating utility on case: 2021-00195 For more information or if you have problems opening a link received through an electronic notice from the Commission, contact the PSC Filings Branch.

Kentucky Public Service Commission
Address: P.O. Box 615 , 211 Sower Boulevard, Frankfort, Kentucky 40602-0615
Phone: (502) 564-3940, Fax: (502) 564-3460
Office Hours: Monday - Friday 8am - 5pm

SERVICE LIST:

Lyon County Water District Don Robertson - lyoncountyw24787@bellsouth.net
Lyon County Water District - lyoncountyw24787@bellsouth.net
HDR, Inc. Michael Hansen - mike.hansen@hdrinc.com

Marvin Lee Wilson

From: KY Public Service Commission <psc.tariffs@ky.gov>
Sent: Wednesday, June 9, 2021 6:47 AM
To: Hansen, Mike
Cc: psc.tariffs@ky.gov
Subject: KY-PSC Electronic Filing Center NotificationTFS2021-00225

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

This notification has been sent to you regarding your recent Tariff filing : TFS2021-00225 file(s) have been transmitted successfully.
Documents received for Tariff filing: TFS2021-00225 for Lyon County Water District
6/9/2021 7:46:51 AM

File Summary:
File Name: LCWD_Tariff_Signed_210608.pdf
Description: Tariff

Thank you.

Marvin Lee Wilson

From: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Sent: Thursday, June 24, 2021 8:19 AM
To: Hansen, Mike
Cc: Ripy, Zachary (PSC)
Subject: RE: Lyon County Tariff Filing 225
Attachments: East Daviess with margin notations.pdf

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

No problem. See the attached for an example of the margin notations.

If you have any questions, please let me know.

Thanks.

Daniel

From: Hansen, Mike <Mike.Hansen@hdrinc.com>
Sent: Thursday, June 24, 2021 9:16 AM
To: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Cc: Ripy, Zachary (PSC) <Zachary.Ripy@ky.gov>
Subject: RE: Lyon County Tariff Filing 225

Hi Daniel,

Sorry for the delay. I have been traveling. I will revise the tariff and resend.

I apologize, but this is the first Tariff submittal I have done – can you send me an example of what you are meaning with the margin notations?

Thanks for your help,

Mike

Mike Hansen, PE
D 629.228.7559 M 270.564.3446

hdrinc.com/follow-us

From: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Sent: Thursday, June 17, 2021 12:14 PM
To: Hansen, Mike <Mike.Hansen@hdrinc.com>
Cc: Ripy, Zachary (PSC) <Zachary.Ripy@ky.gov>
Subject: Lyon County Tariff Filing 225

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Mr. Hansen,

In reviewing the tariff filing submitted by Lyon County Water District in response to Case No. 2021-00195, Staff noted the following corrections that need to be made:

- The tariff needs to include the (I) margin notations on the lines that are changing. You can either put the (I) in the margin of each rate step or you can put an (I) in the margin of the first rate step on the page and draw a line down to the last rate step.
- The rates need to be listed in per gallon increments instead of per 1,000 gallon increments.

The revised tariff page can be emailed to us at this address.

If you have any questions, please let us know.

Thanks.

Daniel

Marvin Lee Wilson

From: Hansen, Mike <Mike.Hansen@hdrinc.com>
Sent: Thursday, July 8, 2021 6:48 AM
To: Hinton, Daniel E (PSC)
Cc: Ripy, Zachary (PSC)
Subject: RE: Lyon County Tariff Filing 225
Attachments: Lyon County Water District Revised Tariff.pdf

Hello Daniel.

Sorry for the delay, I have been trying to get a signature and working around some folks that were on vacation. Attached is the revised tariff with the margin notations and revised to show per gallon increments.

Please let me know if you have any other revisions.

Thanks.

Mike

Mike Hansen, PE
D 629.228.7559 M 270.564.3446

hdrinc.com/follow-us

From: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Sent: Thursday, June 24, 2021 8:19 AM
To: Hansen, Mike <Mike.Hansen@hdrinc.com>
Cc: Ripy, Zachary (PSC) <Zachary.Ripy@ky.gov>
Subject: RE: Lyon County Tariff Filing 225

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No problem. See the attached for an example of the margin notations.

If you have any questions, please let me know.

Thanks.

Daniel

From: Hansen, Mike <Mike.Hansen@hdrinc.com>
Sent: Thursday, June 24, 2021 9:16 AM
To: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Cc: Ripy, Zachary (PSC) <Zachary.Ripy@ky.gov>
Subject: RE: Lyon County Tariff Filing 225

Hi Daniel,

Sorry for the delay. I have been traveling. I will revise the tariff and resend.

I apologize, but this is the first Tariff submittal I have done – can you send me an example of what you are meaning with the margin notations?

Thanks for your help,

Mike

Mike Hansen, PE
D 629.228.7559 M 270.564.3446

hdrinc.com/follow-us

From: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Sent: Thursday, June 17, 2021 12:14 PM
To: Hansen, Mike <Mike.Hansen@hdrinc.com>
Cc: Ripy, Zachary (PSC) <Zachary.Ripy@ky.gov>
Subject: Lyon County Tariff Filing 225

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Mr. Hansen,

In reviewing the tariff filing submitted by Lyon County Water District in response to Case No. 2021-00195, Staff noted the following corrections that need to be made:

- The tariff needs to include the (I) margin notations on the lines that are changing. You can either put the (I) in the margin of each rate step or you can put an (I) in the margin of the first rate step on the page and draw a line down to the last rate step.
- The rates need to be listed in per gallon increments instead of per 1,000 gallon increments.

The revised tariff page can be emailed to us at this address.

If you have any questions, please let us know.

Thanks.

Daniel

Marvin Lee Wilson

From: Hansen, Mike <Mike.Hansen@hdrinc.com>
Sent: Tuesday, July 13, 2021 1:41 PM
To: Hinton, Daniel E (PSC)
Cc: Ripy, Zachary (PSC)
Subject: RE: Lyon County Tariff Filing 225
Attachments: Lyon County Tariff.pdf

Hi Daniel,

I think this one looks better.

Thanks – Mike

Mike Hansen, PE
D 629.228.7559 M 270.564.3446

hdrinc.com/follow-us

From: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Sent: Monday, July 12, 2021 6:45 PM
To: Hansen, Mike <Mike.Hansen@hdrinc.com>
Cc: Ripy, Zachary (PSC) <Zachary.Ripy@ky.gov>
Subject: RE: Lyon County Tariff Filing 225

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I believe the very top of the page was cut off. Can you send one that has the For row above PSC KY Number in the header?

Thanks.

Daniel

From: Hansen, Mike <Mike.Hansen@hdrinc.com>
Sent: Thursday, July 8, 2021 7:48 AM
To: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Cc: Ripy, Zachary (PSC) <Zachary.Ripy@ky.gov>
Subject: RE: Lyon County Tariff Filing 225

****CAUTION** PDF attachments may contain links to malicious sites. Please contact the COT Service Desk ServiceCorrespondence@ky.gov for any assistance.**

Hello Daniel.

Sorry for the delay, I have been trying to get a signature and working around some folks that were on vacation. Attached is the revised tariff with the margin notations and revised to show per gallon increments.

Please let me know if you have any other revisions.

Thanks.

Mike

Mike Hansen, PE
D 629.228.7559 M 270.564.3446

hdrinc.com/follow-us

From: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Sent: Thursday, June 24, 2021 8:19 AM
To: Hansen, Mike <Mike.Hansen@hdrinc.com>
Cc: Ripy, Zachary (PSC) <Zachary.Ripy@ky.gov>
Subject: RE: Lyon County Tariff Filing 225

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No problem. See the attached for an example of the margin notations.

If you have any questions, please let me know.

Thanks.

Daniel

From: Hansen, Mike <Mike.Hansen@hdrinc.com>
Sent: Thursday, June 24, 2021 9:16 AM
To: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Cc: Ripy, Zachary (PSC) <Zachary.Ripy@ky.gov>
Subject: RE: Lyon County Tariff Filing 225

Hi Daniel,

Sorry for the delay. I have been traveling. I will revise the tariff and resend.

I apologize, but this is the first Tariff submittal I have done – can you send me an example of what you are meaning with the margin notations?

Thanks for your help,

Mike

Mike Hansen, PE
D 629.228.7559 M 270.564.3446

hdrinc.com/follow-us

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Sent: Thursday, June 17, 2021 12:14 PM

To: Hansen, Mike <Mike.Hansen@hdrinc.com>

Cc: Ripy, Zachary (PSC) <Zachary.Ripy@ky.gov>

Subject: Lyon County Tariff Filing 225

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- The rates need to be listed in per gallon increments instead of per 1,000 gallon increments.

The revised tariff page can be emailed to us at this address.

If you have any questions, please let us know.

Thanks.

Daniel

Marvin Lee Wilson

From: KY Public Service Commission <psc.tariffs@ky.gov>
Sent: Tuesday, July 20, 2021 5:59 AM
To: Hansen, Mike
Cc: psc.tariffs@ky.gov
Subject: KY-PSC Electronic Filing Center NotificationTFS2021-00225 amended

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

This notification has been sent to you regarding your recent Tariff filing : TFS2021-00225 file(s) have been transmitted successfully.
Documents received for amended Tariff filing: TFS2021-00225 for 7/20/2021 6:58:57 AM

File Summary:

File Name: LCWD_Tariff_Signed_210608.pdf
Description: Tariff
File Name: Lyon_County_225_Tariff_Revised.pdf
Description: Tariff

Thank you.

Marvin Lee Wilson

From: Hansen, Mike <Mike.Hansen@hdrinc.com>
Sent: Wednesday, July 28, 2021 8:58 AM
To: Hinton, Daniel E (PSC)
Subject: RE: Lyon County Tariff Filing 225
Attachments: Corrected Tariff.pdf

Hi Daniel,

Sorry for the mistake, but thank you for catching it.

Please see the revised tariff attached.

Mike

Mike Hansen, PE
D 629.228.7559 M 270.564.3446

hdrinc.com/follow-us

From: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Sent: Wednesday, July 28, 2021 7:09 AM
To: Hansen, Mike <Mike.Hansen@hdrinc.com>
Subject: RE: Lyon County Tariff Filing 225

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Mr. Hansen,

Looking over this, the last rate step in the 1", 1 ½", and 2" meters are incorrect. Those should be \$0.00588 instead of \$0.00558.

In addition, the last rate step in the 2" meter schedule should state "Over 45,000 Gallons" instead of "Over 45,000".

If you can make those revisions and send the revised tariff page back to me at this address, I will update the filing and get a stamped copy back to you as soon as possible.

If you have any questions, please let me know.

Thanks.

Daniel

From: Hansen, Mike <Mike.Hansen@hdrinc.com>
Sent: Tuesday, July 13, 2021 2:41 PM
To: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Cc: Ripy, Zachary (PSC) <Zachary.Ripy@ky.gov>
Subject: RE: Lyon County Tariff Filing 225

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D 629.228.7559 M 270.564.3446

hdrinc.com/follow-us

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Cc: Ripy, Zachary (PSC) <Zachary.Ripy@ky.gov>
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Thanks.

Daniel

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Sent: Thursday, July 8, 2021 7:48 AM
To: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Cc: Ripy, Zachary (PSC) <Zachary.Ripy@ky.gov>
Subject: RE: Lyon County Tariff Filing 225

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Please let me know if you have any other revisions.

Thanks.

Mike

Mike Hansen, PE
D 629.228.7559 M 270.564.3446

hdrinc.com/follow-us

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Cc: Ripy, Zachary (PSC) <Zachary.Ripy@ky.gov>
Subject: RE: Lyon County Tariff Filing 225

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Daniel

From: Hansen, Mike <Mike.Hansen@hdrinc.com>
Sent: Thursday, June 24, 2021 9:16 AM
To: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Cc: Ripy, Zachary (PSC) <Zachary.Ripy@ky.gov>
Subject: RE: Lyon County Tariff Filing 225

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Sorry for the delay. I have been traveling. I will revise the tariff and resend.

I apologize, but this is the first Tariff submittal I have done – can you send me an example of what you are meaning with the margin notations?

Thanks for your help,

Mike

Mike Hansen, PE
D 629.228.7559 M 270.564.3446

hdrinc.com/follow-us

From: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Sent: Thursday, June 17, 2021 12:14 PM
To: Hansen, Mike <Mike.Hansen@hdrinc.com>
Cc: Ripy, Zachary (PSC) <Zachary.Ripy@ky.gov>
Subject: Lyon County Tariff Filing 225

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Mr. Hansen,

In reviewing the tariff filing submitted by Lyon County Water District in response to Case No. 2021-00195, Staff noted the following corrections that need to be made:

- The tariff needs to include the (l) margin notations on the lines that are changing. You can either put the (l) in the margin of each rate step or you can put an (l) in the margin of the first rate step on the page and draw a line down to the last rate step.
- The rates need to be listed in per gallon increments instead of per 1,000 gallon increments.

The revised tariff page can be emailed to us at this address.

If you have any questions, please let us know.

Thanks.

Daniel

Marvin Lee Wilson

From: KY Public Service Commission <psc.tariffs@ky.gov>
Sent: Wednesday, July 28, 2021 9:03 AM
To: Hansen, Mike
Cc: psc.tariffs@ky.gov
Subject: KY-PSC Electronic Filing Center NotificationTFS2021-00225 amended

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

This notification has been sent to you regarding your recent Tariff filing : TFS2021-00225 file(s) have been transmitted successfully.
Documents received for amended Tariff filing: TFS2021-00225 for
7/28/2021 10:03:18 AM

File Summary:

File Name: Lyon_County_225_Tariff_Revised_2.pdf

Description: Tariff

File Name: Lyon_County_225_Tariff_Revised.pdf

Description: Tariff

File Name: LCWD_Tariff_Signed_210608.pdf

Description: Tariff

Thank you.

Marvin Lee Wilson

From: Hansen, Mike <Mike.Hansen@hdrinc.com>
Sent: Wednesday, July 28, 2021 9:39 AM
To: lyoncowater@gmail.com
Subject: FW: Lyon County Tariff Filing 225
Attachments: TFS2021-225.pdf; Lyon_County_225_Tariff_Revised_2.pdf

Finally received the stamped tariff.

Mike Hansen, PE
D 629.228.7559 M 270.564.3446

hdrinc.com/follow-us

From: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Sent: Wednesday, July 28, 2021 9:10 AM
To: Hansen, Mike <Mike.Hansen@hdrinc.com>
Subject: Lyon County Tariff Filing 225

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

RE: TFS-2021-00225

Mr. Hansen,

Attached are the acceptance letter and stamped copy of the above referenced filing with the Kentucky PSC.

If you have any questions regarding this matter, please don't hesitate to call or contact us by email at psc.tariffs@ky.gov.

Thanks,

Daniel

Marvin Lee Wilson

From: Hansen, Mike <Mike.Hansen@hdrinc.com>
Sent: Monday, October 11, 2021 12:01 PM
To: psced@ky.gov
Subject: Notice of Electronic Filing - Rate Adjustment Per KAR 5:076 Lyon County Water District
Attachments: Notice for Electronic Filing Signed.pdf

Hello,

Please see the attached notice of electronic filing for an application for Rate Adjustment per KAR 5:076 for the Lyon County Water District.

Thanks,

Mike

Mike Hansen, PE
KY/TN/AR Water Business Group Manager

HDR
120 Brentwood Commons Way, Suite 525
Brentwood, TN 37027
D 629.228.7559 M 270.564.3446
Mike.Hansen@hdrinc.com

hdrinc.com/follow-us

Marvin Lee Wilson

From: PSC Executive Director <PSCED@ky.gov>
Sent: Monday, October 11, 2021 12:11 PM
To: Hansen, Mike
Cc: Hembree, Aimee M (PSC); Smith, Renee C (PSC); Bridwell, Linda C (PSC)
Subject: RE: Notice of Electronic Filing - Rate Adjustment Per KAR 5:076 Lyon County Water District

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

We have received your above referenced filing. If you need further assistance please contact us.

Thanks.

From: Hansen, Mike <Mike.Hansen@hdrinc.com>
Sent: Monday, October 11, 2021 1:01 PM
To: PSC Executive Director <PSCED@ky.gov>
Subject: Notice of Electronic Filing - Rate Adjustment Per KAR 5:076 Lyon County Water District

****CAUTION** PDF attachments may contain links to malicious sites. Please contact the COT Service Desk ServiceCorrespondence@ky.gov for any assistance.**

Hello,

Please see the attached notice of electronic filing for an application for Rate Adjustment per KAR 5:076 for the Lyon County Water District.

Thanks,

Mike

Mike Hansen, PE
KY/TN/AR Water Business Group Manager

HDR
120 Brentwood Commons Way, Suite 525
Brentwood, TN 37027
D 629.228.7559 M 270.564.3446
Mike.Hansen@hdrinc.com

hdrinc.com/follow-us

Marvin Lee Wilson

From: KY_PSC Filings <PSCFilings@ky.gov>
Sent: Monday, October 11, 2021 1:15 PM
To: lyoncountyw24787@bellsouth.net; Hansen, Mike; pscfilings@ky.gov
Subject: KY-PSC Electronic Filing Center Notification For Case# 2021-00391

Follow Up Flag: Follow up
Flag Status: Flagged

CAUTION: [EXTERNAL] This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Confirmation of Posting.

This notification is sent regarding the recent filing for case# 2021-00391 on 10/11/2021 at 2:14 PM

Filed by: PSC

Date/Time Filed: 10/11/2021 2:14:50 PM

The following Document(s) have been posted to the Case File

Linked below is a document from the Kentucky Public Service Commission from case number 2021-00391. This is an official document and service is rendered based upon this email. Pursuant to KRS 278.380 amended by the Kentucky General Assembly during the 2014 General Session, the electronic delivery of all Kentucky Public Service Commission orders is now allowed. This includes data requests, as well as all other case-related documents. Electronic transmission may include either an electronic version of the order or document or a hyperlink to the order or document on the PSC website. The mailing date of the order or document will be the date of the electronic transmission. Any applicant or party desiring delivery of orders or documents by postal mail may request such delivery on a per case basis from the PSC and demonstrate good cause for the request.

PSC Acknowledgment Letter File

You are receiving this message as a member of the service list or participating utility on case: 2021-00391 For more information or if you have problems opening a link received through an electronic notice from the Commission, contact the PSC Filings Branch.

Kentucky Public Service Commission
Address: P.O. Box 615 , 211 Sower Boulevard, Frankfort, Kentucky 40602-0615
Phone: (502) 564-3940, Fax: (502) 564-3460
Office Hours: Monday - Friday 8am - 5pm

SERVICE LIST:

Lyon County Water District - lyoncountyw24787@bellsouth.net
HDR, Inc. Michael Hansen - mike.hansen@hdrinc.com

Marvin Lee Wilson

From: Hansen, Mike <Mike.Hansen@hdrinc.com>
Sent: Tuesday, October 12, 2021 8:16 PM
To: mwilson@wfllegal.com
Subject: LCWD - Previous Rate Cases
Attachments: 10-12-21 Marvin Wilson LCWD Previous Rate Cases.pdf; 20210604_PSC_ORDER.pdf; 20160107_PSC_ORDER.pdf; 20150423_PSC_ORDER.pdf; 20140929_PSC_ORDER.pdf; 20110810_PSC_ORDER.pdf; 20100222_PSC_ORDER.PDF; 200400361_11242004.pdf; 200200307_091802.pdf; 199500385_10061995.pdf; 198900144_06161989.pdf; 19009872_09081987.pdf; 19009524_07111986.pdf

Marvin,

Attached is a summary of all previous rate related cases with LCWD. There has been 13 different cases that dealt with rates in some fashion. I have also attached the PSC orders of each case.

Thanks,

Mike

Mike Hansen, PE
KY/TN/AR Water Business Group Manager

HDR
120 Brentwood Commons Way, Suite 525
Brentwood, TN 37027
D 629.228.7559 M 270.564.3446
Mike.Hansen@hdrinc.com

hdrinc.com/follow-us

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LYON COUNTY WATER)	
DISTRICT FOR A CERTIFICATE OF PUBLIC)	CASE NO.
CONVENIENCE AND NECESSITY TO)	2015-00376
CONSTRUCT, FINANCE, AND INCREASE)	
RATES PURSUANT TO KRS 278.023)	

ORDER

Lyon County Water District ("Lyon District") has applied to the Commission for a certificate of Public Convenience and Necessity ("CPCN") to construct a waterworks improvement project, for approval of its plan to finance the proposed project, and for an increase in water rates. Lyon District's application met the minimum filing requirements of KRS 278.023 on December 10, 2015.

This project consists of multiple individually bid contracts comprising the installation of approximately 43,000 linear feet of water transmission main and associated appurtenances, and acquisition of approximately 2,000 radio-read meters, including equipment and software. Contracts 1 and 2, for the approximately 43,000 linear feet of water transmission main and associated appurtenances, have been bid. Lyon District plans to bid the radio-read meters in the near future.¹ Lyon District proposes to "file a motion with this Commission to amend its Order in this case to include said meters in the CPCN" after the meters are bid.²

¹ Application, numbered paragraph 4.

² *Id.*

Construction costs, based on bids received by Lyon District on June 16, 2015, are \$941,230 for Contract 1 and \$2,137,666 for Contract 2. The total project cost, including costs for administrative, legal, engineering, interest, construction, radio-read meters and contingencies, is \$4,550,000.³

Lyon District proposes to finance the proposed construction with the proceeds of the issuance of \$1,900,000 of Waterworks Revenue Bonds to be purchased by the United States Department of Agriculture (“USDA”) Rural Development (“RD”) for a 40-year period at an interest rate not to exceed 3.00 percent per annum, a USDA RD grant in the amount \$650,000, and a Kentucky Infrastructure Authority (“KIA”)-administered Drinking Water State Revolving Fund loan of \$2,000,000⁴ for a 20-year period at an interest rate of 2 percent.⁵

Lyon District has submitted its application pursuant to KRS 278.023. Notwithstanding KRS 278.020(1), KRS 278.180, KRS 278.190, and KRS 278.300, KRS 278.023 requires the Commission to accept agreements between water districts and RD regarding construction projects, and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements.

KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of the agreement between RD and Lyon District, or to defer the issuance of all necessary orders to implement the terms of that agreement. It further denies the Commission any authority to reject an application when the evidence

³ Application, Final Engineering Report by HDR, September 11, 2015.

⁴ Application, numbered paragraph 5.

⁵ Application, Letter of Conditions, Amendment 1.

of record indicates that a water district's proposed facilities will result in the wasteful duplication of facilities or excessive investment, or its proposed rates are unfair, unjust, or unreasonable. The Commission, therefore, is not able to review this application using the same standards that are used for applications that are not filed pursuant to KRS 278.023.

Finally, Lyon District has proposed to later move to amend the requested CPCN to include radio-read meters, the contract for which has not yet been bid. While Lyon District has not provided any supporting basis to permit amending a Commission Order granting a CPCN to later include additional projects in the certificate, the radio-read meters were contemplated as part of the entire project as approved by RD.⁶ As the RD approval includes the radio-read meters, after completing Contracts 1 and 2, Lyon District may utilize excess funds for the radio-read meters. Absent the need for additional funding, further Commission approval is not required.

IT IS THEREFORE ORDERED that:

1. Lyon District is granted a CPCN for the proposed construction as set forth in its application.
2. Lyon District's proposed plan of financing is approved.
3. Lyon District is authorized to issue \$1,900,000 of its Waterworks Revenue Bonds maturing over 40 years at an interest rate not exceeding 3.00 percent per annum.

⁶ See Application, Letter from Thomas G. Fern, State Director, RD, to Terry McKinney, Chairman, Lyon County (Dec. 19, 2011); Letter from Thomas G. Fern, State Director, RD, to Don Robertson, Chairman, Lyon County (Sept. 17, 2015).

4. Lyon District is authorized to obtain a KIA loan in the amount of \$2,000,000 at an interest rate not to exceed 2.0 percent per annum, maturing over 20 years.

5. The proceeds from the proposed bond issuance shall be used only for the purposes specified in Lyon District's application.

6. Lyon District shall obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

7. Lyon District may utilize excess funds towards its radio-read meter project.

8. Notwithstanding ordering paragraphs 5, 6, and 7, if surplus funds remain after the approved construction has been completed, Lyon District may use such surplus to construct additional plant facilities if RD approves of the use and the additional construction will not result in a change in Lyon District's rates for service. Lyon District shall provide written notice of this additional construction in accordance with 807 KAR 5:069, Section 4.

9. Lyon District shall file with the Commission documentation of the total costs of this project, including the cost of construction and all other capitalized costs (e.g., engineering, legal, and administrative) within 60 days of the date that construction is substantially completed. Construction cost shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.

10. Lyon District shall file a copy of the "as-built" drawings and a certified statement from the engineer that the construction has been satisfactorily completed in

accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

11. Lyon District shall require construction to be inspected under the general supervision of a licensed professional engineer with a Kentucky registration in civil or mechanical engineering to ensure that the construction work is done in accordance with the contract drawings and specifications and in conformance with the best practices of the construction trades involved in the project.

12. Lyon District shall notify the Commission in writing one week prior to the actual start of construction and at the 50 percent completion point.

13. The rates set forth in the Appendix to this Order are approved for service rendered by Lyon District on and after the date of this Order.

14. Within 20 days of the date of this Order, Lyon District shall file revised tariff sheets with the Commission, using the Commission's electronic Tariff Filing System, containing the rates set forth in the Appendix to this Order.

15. Any documents filed in the future pursuant to ordering paragraphs 6, 8, 9, 10, and 12 of this Order shall reference this case number and shall be retained in the utility's general correspondence file.

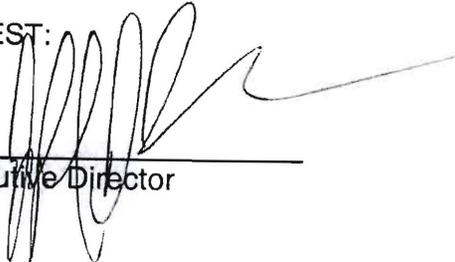
16. The Executive Director is delegated authority to grant reasonable extensions of time for the filing of any documents required by this Order upon Lyon District's showing of good cause for such extension.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

By the Commission

ENTERED
JAN 07 2016
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2015-00376 DATED **JAN 07 2016**

The following rates and charges are prescribed for the customers in the area served by Lyon County Water District. 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	2,000 Gallons	\$25.00	Minimum Bill
Next	3,000 Gallons	10.62	per 1,000 Gallons
Next	5,000 Gallons	7.50	per 1,000 Gallons
Next	10,000 Gallons	6.25	per 1,000 Gallons
Over	20,000 Gallons	5.50	per 1,000 Gallons

1-Inch Meter

First	15,000 Gallons	\$116.25	Minimum Bill
Next	5,000 Gallons	6.25	per 1,000 Gallons
Over	20,000 Gallons	5.50	per 1,000 Gallons

1 1/2-Inch Meter

First	25,000 Gallons	\$156.25	Minimum Bill
Over	25,000 Gallons	5.50	per 1,000 Gallons

2-Inch Meter

First	45,000 Gallons	\$281.25	Minimum Bill
Over	45,000 Gallons	5.50	per 1,000 Gallons

*Honorable W. Randall Jones
Attorney at Law
Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, KENTUCKY 40202

*Lyon County Water District
5464 U. S. Highway 62 West
P. O. Box 489
Kuttawa, KY 42055

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LYON COUNTY WATER)	CASE NO.
DISTRICT FOR PURCHASED WATER)	2014-00313
ADJUSTMENT)	

ORDER

On September 2, 2014, Lyon County Water District ("Lyon County") submitted an application for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Lyon County purchases water from Princeton Water & Wastewater ("Princeton"), Kuttawa Water & Gas, Crittendon-Livingston County Water District, the city of Eddyville, and Barkley Lake Water District.

2. On August 1, 2014, Princeton increased its wholesale water rate to Lyon County from \$2.706 per 1,000 gallons to \$3.058 per 1,000 gallons.² Lyon County proposes to increase the water rates to its customers effective September 1, 2014.

3. During the 12 months ended June 30, 2014, Lyon County purchased 111,872,213 gallons of water, 51,201,923 of which were purchased from Princeton, and sold 83,855,800 gallons during the same 12 months. The increase in the cost of

¹ KRS 278.015; 807 KAR 5:068.

² TFS 2014-00412 (Ky. PSC filed June 30, 2014); The tariff was accepted for filing by the Commission by letter dated July 31, 2014.

purchased water is \$18,023.08, resulting in a purchased water adjustment factor of \$0.22 per 1,000 gallons

4. The purchased water adjustment of \$0.22 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

5. Lyon County has proposed rates for a 3/4-inch meter which is no longer in use or in its current tariff. Because this meter size is no longer in use, the corresponding rate increase should be denied.

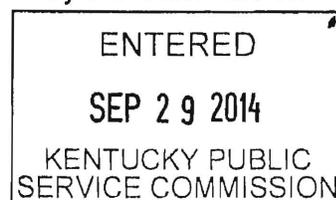
6. The remaining rates as set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for water service rendered on and after September 1, 2014.

IT IS THEREFORE ORDERED that:

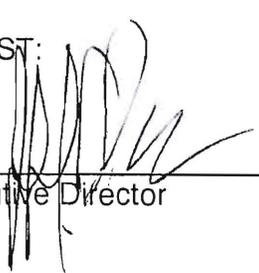
1. The purchased water adjustment of \$0.22 per 1,000 gallons is approved.
2. Lyon County's proposed rates for 3/4-inch meters are denied.
3. The rates in Appendix B are approved for service rendered on or after September 1, 2014.

4. Within 20 days of the date of this Order, Lyon County shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

By the Commission



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00313 DATED **SEP 29 2014**

	New Rate	Base Rate
Lyon County		
Purchases in gallons	51,201,923	51,201,923
Volumetric rate	<u>\$3.058/1,000</u>	<u>\$ 2.706/1,000</u>
	\$ 156,575.48	\$ 138,552.40
Increased water cost	\$18,023.08	
Increased water cost	\$ 18,023.08	
Divided by gallons sold/1,000	<u>83,855,800</u>	
	\$ 0.2149	
Purchased water adjustment factor	\$0.22 per 1,000 gallons	

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00313 DATED **SEP 29 2014**

The following rates and charges are prescribed for the customers in the area served by Lyon County Water District. 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-Inch Meter

First	2,000 gallons	\$ 19.98	Minimum Bill
Next	3,000 gallons	8.48	per 1,000 gallons
Next	5,000 gallons	6.45	per 1,000 gallons
Next	10,000 gallons	4.42	per 1,000 gallons
Over	20,000 gallons	3.92	per 1,000 gallons

1-Inch Meter

First	15,000 gallons	\$ 81.89	Minimum Bill
Next	5,000 gallons	3.69	per 1,000 gallons
Over	20,000 gallons	3.29	per 1,000 gallons

1 1/2-Inch Meter

First	25,000 gallons	\$ 116.75	Minimum Bill
Over	25,000 gallons	3.29	per 1,000 gallons

2-Inch Meter

First	45,000 gallons	\$ 182.46	Minimum Bill
Over	45,000 gallons	3.29	per 1,000 gallons

Terry McKinney
Chairman
Lyon County Water District
P. O. Box 489
Kuttawa, KY 42055

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LYON COUNTY WATER)
DISTRICT TO REVISE NONRECURRING) CASE NO. 2009-00474
CHARGES)

O R D E R

On December 3, 2009, Lyon County Water District ("Lyon County") submitted an application for authority to revise certain nonrecurring charges. The Commission, by letter dated December 17, 2009, notified Lyon County of filing deficiencies in the application. On January 4, 2010, Lyon County filed information in response to the deficiency letter that cured the deficiencies. Lyon County has provided adequate evidence of the individual expenses incurred to provide the services associated with the proposed charges.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. The proposed charges are less than or equal to the expenses incurred to provide the associated services.
2. The charges set forth in the Appendix to this Order are fair, just, and reasonable and should be approved.

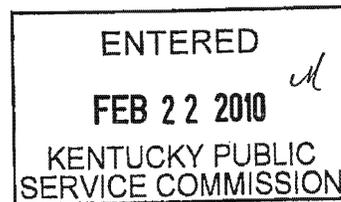
IT IS THEREFORE ORDERED that:

1. Lyon County's proposed increase in rates is approved.

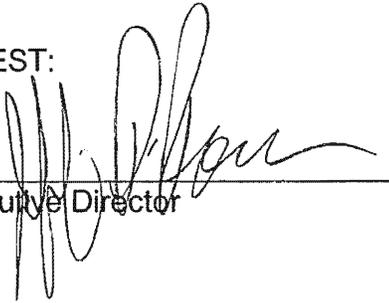
2. The charges in the Appendix are approved for services rendered on and after the date of this Order.

3. Within 20 days of the date of this Order, Lyon County shall file revised tariff sheets with the Commission showing the rates approved herein.

By the Commission



ATTEST:



Executive Director

Case No. 2009-00474

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2009-00474 DATED FEB 22 2010

The following rates and charges are prescribed for the customers in the area served by Lyon County Water District. 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.

NONRECURRING CHARGES

Meter Read-out Charge	\$30.00
Field Collection Charge	\$30.00
Meter Reconnection (Water disconnected but meter remains in place)	\$50.00
Meter Relocation Charge	Actual Cost
Meter Re-read Charge	\$25.00
Meter Test Charge	\$50.00
Returned Check Charge	\$30.00

METER CONNECTION CHARGES

5/8-Inch x 3/4-Inch Meter	\$600.00
1-Inch Meter	\$700.00
All Larger Meters	Actual Cost

Don Robertson
Chairman
Lyon County Water District (Water Division)
P. O. Box 675
Eddyville, KY 42038

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF LYON COUNTY WATER)	
DISTRICT FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY TO)	CASE NO.
CONSTRUCT, FINANCE AND INCREASE RATES)	2002-00307
PURSUANT TO KRS 278.023)	

O R D E R

On August 20, 2002, Lyon County Water District (Lyon District) submitted an application for a Certificate of Public Convenience and Necessity to construct, finance, and increase rates for a new \$1,150,000 waterworks improvement project. This project consists of the installation of approximately 27 miles of 8-inch through 3-inch water transmission mains, a booster pumping station and related appurtenances to provide service to approximately 120 new customers. Project funding consists of a \$594,000 loan from the U.S. Department of Agriculture s Rural Development (RD), a \$506,000 grant from the RD and a \$50,000 contribution from the applicant.

Lyon District s application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U.S. Department of Agriculture or the U.S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements

were met in the case on August 20, 2002, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Lyon District is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Lyon District's proposed plan of financing with RD is accepted.
3. Lyon District is authorized to issue bonds not to exceed \$594,000.
4. Lyon District shall file a copy of the as-built drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.
5. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.
6. Lyon District shall file its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.
7. Lyon District shall obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.
8. Lyon District shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.
9. Three years from the effective date of this Order, Lyon District shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

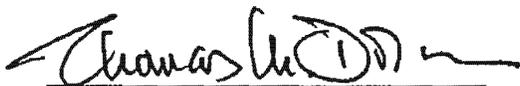
that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 18th day of September, 2002.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2002-00307 DATED September, 18, 2002

The following rates and charges are prescribed for the customers in the area served by Lyon County Water District. 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.

5/8 X 3/4" Meter:

First	2,000 gallons	\$18.40 Minimum Bill
Next	3,000 gallons	7.69 per 1,000 gallons
Next	5,000 gallons	5.66 per 1,000 gallons
Next	10,000 gallons	3.63 per 1,000 gallons
All Over	20,000 gallons	3.13 per 1,000 gallons

3/4" Meter:

First	4,000 gallons	\$26.89 Minimum Bill
Next	1,000 gallons	6.12 per 1,000 gallons
Next	5,000 gallons	4.51 per 1,000 gallons
Next	10,000 gallons	2.90 per 1,000 gallons
All over	20,000 gallons	2.50 per 1,000 gallons

1 Meter:

First	15,000 gallons	\$70.04 Minimum Bill
Next	5,000 gallons	2.90 per 1,000 gallons
All over	20,000 gallons	2.50 per 1,000 gallons

1-1/2 Meter:

First	25,000 gallons	\$97.00 Minimum Bill
All over	25,000 gallons	2.50 per 1,000 gallons

2 Meter:

First	45,000 gallons	\$146.91 Minimum Bill
All over	45,000 gallons	2.50 per 1,000 gallons

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
LYON COUNTY WATER DISTRICT) CASE NO. 89-144

O R D E R

On May 24, 1989, Lyon County Water District ("Lyon County") filed its revised tariff sheet with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being sufficiently advised, is of the opinion and finds that:

1. Lyon County purchases water from the city of Kuttawa ("Kuttawa") and the city of Princeton ("Princeton").

2. Kuttawa increased its rates for purchased water from \$.70 to \$1.35 per 1,000 gallons, effective January 1, 1989. There has been no change in the rate charged by Princeton.

3. Lyon County adjusted the rates to its customers effective June 1, 1989.

4. During the 12 months ending April 30, 1989, Lyon County purchased 19,361,400 gallons of water from Kuttawa and 16,106,415 gallons from Princeton. Lyon County sold 30,040,000 gallons during the same 12-month period.

5. Lyon County's calculations are correct and show an increase in purchased water costs of \$12,585, resulting in a purchased water adjustment of \$.42 per 1,000 gallons of water.

6. The purchased water adjustment of \$.42 per 1,000 gallons and the rates in Appendix A, attached and incorporated hereto, are fair, just, and reasonable and should be approved.

7. The tariff filed by Lyon County is incorrect in that it does not contain the designation required by 807 KAR 5:011, Section 3(5)(e) and has not been signed as required by 807 KAR 5:011, Section 3(5)(c).

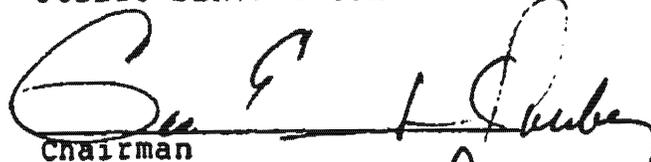
IT IS THEREFORE ORDERED that:

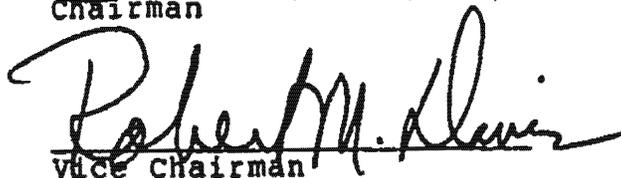
1. The purchased water adjustment of \$.42 per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after June 1, 1989.

2. Within 30 days of the date of this Order, Lyon County shall file its revised tariff sheet in accordance with Finding 7 herein.

Done at Frankfort, Kentucky, this 16th day of June, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:

Executive Director


Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 89-144 DATED June 16, 1989.

The following rates and charges are prescribed for the customers in the area served by Lyon County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

5/8 Inch Meter

Usage Blocks

Monthly Rates

First 2,000 gallons	\$12.74 Minimum
Next 3,000 gallons	5.32 per 1,000 gallons
Next 5,000 gallons	3.92 per 1,000 gallons
Next 10,000 gallons	2.52 per 1,000 gallons
Over 20,000 gallons	2.17 per 1,000 gallons

3/4 Inch Meter

First 4,000 gallons	\$23.38 Minimum
Next 1,000 gallons	5.32 per 1,000 gallons
Next 5,000 gallons	3.92 per 1,000 gallons
Next 10,000 gallons	2.52 per 1,000 gallons
Over 20,000 gallons	2.17 per 1,000 gallons

1 Inch Meter

First 15,000 gallons	\$60.90 Minimum
Next 5,000 gallons	2.52 per 1,000 gallons
Over 20,000 gallons	2.17 per 1,000 gallons

1 1/2 Inch Meter

First 25,000 gallons	\$84.35 Minimum
Over 25,000 gallons	2.17 per 1,000 gallons

2 Inch Meter

First 45,000 gallons	\$127.75 Minimum
Over 45,000 gallons	2.17 per 1,000 gallons

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF LYON COUNTY WATER)
DISTRICT, LYON COUNTY, KENTUCKY (1) FOR)
A CERTIFICATE OF PUBLIC CONVENIENCE AND)
NECESSITY AUTHORIZING SAID DISTRICT TO)
CONSTRUCT MAJOR IMPROVEMENTS AND EX-)
TENSIONS TO ITS EXISTING MUNICIPAL WATER)
DISTRIBUTION SYSTEM PURSUANT TO PRO-) CASE NO. 9524
VISIONS OF CHAPTER 74 OF THE KENTUCKY)
REVISED STATUTES; (2) SEEKING APPROVAL)
OF THE ISSUANCE OF CERTAIN SECURITIES;)
(3) FOR AN ADJUSTMENT OF RATES, AND (4))
APPROVAL TO PURCHASE LAKE BARKLEY WATER)
SYSTEM, INC.)

O R D E R

On March 11, 1986, Lyon County Water District ("Lyon") filed its Application and Motion to reopen Case No. 9120, wherein it had sought Commission approval to increase its water service rates, authorization to construct a \$1,194,100 waterworks improvement project, approval of its financing for the proposed project and approval to purchase the assets of the Lake Barkley Water System. The Commission approved the purchase portion of the application on November 11, 1985, subject to approval of financing from the Farmers Home Administration ("FmHA"). In response to said Motion, the Commission, by Order entered March 18, 1986, established the instant case with the record of Case No. 9120 incorporated herein by reference.

The project financing includes \$100,600 from applicants for service in the proposed project area and a partial refund of the purchase price of the Lake Barkley Water System, a \$75,000 grant from the U.S. Army Corps of Engineers, a \$420,500 grant from the FmHA and a \$598,000 loan from the FmHA. The FmHA loan will be secured by waterworks revenue bonds maturing over a 40-year period at an interest rate of 9 1/8 percent per annum.

The proposed project will add 335 customers to Lyon's system. One hundred forty-one are existing customers of the Lake Barkley Water System and 194 are additional applicants for service. Plans and specifications for the construction prepared by Elrod-Dunson, Inc., of Nashville, Tennessee, ("Engineer") have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

A hearing was held in the offices of the Public Service Commission, Frankfort, Kentucky, on April 30, 1986. There were no intervenors present and no protests were entered.

The rates requested by Lyon were the rates proposed in FmHA's letter of conditions. The Commission has determined that these rates, charged to the approximately 620 customers that Lyon will serve upon completion of the proposed construction project, will produce additional revenue of \$37,182 on an annual basis. In this Order, the Commission has approved the entire amount of the requested increase.

TEST PERIOD

Lyon proposed and the Commission has accepted the 12-month period ending December 31, 1984, as the test period in this matter.

REVENUES AND EXPENSES

Lyon reported a net operating income of \$6,536 for the test period and proposed two pro forma adjustments which resulted in an adjusted net operating income of \$44,507. The Commission, upon reviewing Lyon's pro forma revenues and expenses, has made the following adjustments in order to reflect expected operating conditions:

Operating Revenues

Lyon proposed an adjustment to increase operating revenues by \$44,064 to reflect the sales to the additional customers being added to the system. This adjustment was calculated by multiplying the amount of an average residential bill - \$12.24 - by 300 new customers by 12 months. The Commission is of the opinion that a more accurate method of projecting the revenues to be generated from the new customers would be to include projected usage in the billing analysis.

Of the 335 now being added, Lyon is adding one commercial customer, Eddy Creek Recreational Area, which is projected to use 100,000 gallons per month. The remaining 334 being added to Lyon's system are residential customers. At Lyon's current rates, sales to Eddy Creek Recreational Area will produce \$1,758 in annual revenues. At an average of 2,419 gallons per customer per month, Lyon's total gallons sold to new residential customers

should be approximately 9,694,300 gallons. The effect of these additional residential sales is to increase Lyon's annual revenues by \$41,700. This amount, along with the commercial revenues of \$1,758, results in an adjustment to annual operating revenues of \$43,458.

Purchased Water Expense

Lyon proposed an adjustment of \$6,093 to increase purchased water expense to reflect the additional customers being added to its system. However, as with its proposed adjustment to operating revenues Lyon reflected only 300 additional customers while the actual number being added to the system is 335. In addition, although Lyon reported a test year water loss of 14.5 percent, it did not allow any water loss for the additional water purchases needed to serve the new customers.

The Commission, based on Lyon's average residential usage of 2,419 gallons and the estimated monthly usage of 100,000 gallons by the U.S. Army Corps of Engineers at the Eddy Creek Recreational Area, has determined that Lyon's water sales should increase by approximately 10.9 million gallons annually. Allowing for Lyon's 14.5 percent historical water loss, its water purchases should increase by 12.74 million gallons, which, at Lyon's contract rate of \$.70 per 1,000 gallons, results in an adjustment to increase Lyon's test year expense for purchased water by \$8,916.

Depreciation Expense

For the test year Lyon reported depreciation expense of \$15,390; however, it did not propose an adjustment to increase

depreciation expense due to the planned construction project. In view of the proposed construction project the Commission finds the following adjustments to be appropriate for rate-making purposes.

Lyon's test year-end utility plant in service was \$604,980, which, based on Lyon's test year depreciation expense of \$15,390 results in a composite depreciation rate of 2.54 percent. Using this composite rate for the proposed addition of \$1,194,100 in utility plant results in total depreciation expense for accounting purposes of \$45,768. However, it has been the practice of the Commission in previous decisions to compute depreciation expense for rate-making purposes on the basis of original cost of the plant in service less contributions in aid of construction, since a utility should not be allowed recovery of that portion of the plant which has been provided at zero costs. No new evidence was provided at or prior to the hearing which would change the Commission's position on this issue. The financing for the proposed construction project will increase Lyon's contributions in aid of construction by \$596,100. The result of these additions will be reflected as follows:

Utility Plant in Service	\$1,799,080
Less:	
Contributions in Aid of Construction	939,534
Non-Contributed Utility Plant	<u>\$ 859,546</u>
X Composite Rate	<u>.0254</u>
Depreciation on Non-Contributed Utility Plant	<u>\$ 21,832</u>

This calculation results in an adjustment to increase depreciation for rate-making purposes by \$6,442 above the test year expense level.

After all adjustments, Lyon's test period operations appear as follows:

	<u>Test Year Actual</u>	<u>Commission Adjustments</u>	<u>Test Year Adjusted</u>
Operating Revenues	\$53,364	\$43,458	\$96,822
Operating Expenses	46,828	15,358	62,186
Operating Income	<u>\$ 6,536</u>	<u>\$28,100</u>	<u>\$34,636</u>

REVENUE REQUIREMENTS

Lyon's annual debt service based on debt outstanding at the end of the test year and debt proposed in this proceeding is \$73,193. The adjusted operating income of \$34,636 plus non-operating income of \$2,421 results in total income for rate-making purposes of \$37,057 and will allow Lyon a debt service coverage ("DSC") of .51X.

The additional revenues granted herein are based on Lyon's requested rates without a surcharge and will provide Lyon with a DSC of 1.01X assuming the adjusted test period operations accurately reflect Lyon's pro forma operations. In a case such as this where Lyon is adding a large number of customers not previously served by an operating utility, accurate estimates or projections of increased operation and maintenance expenses are difficult. Based on the limited information available in this case neither Lyon nor the Commission made such adjustments. Therefore, the Commission is concerned that the additional

revenues of \$37,182 granted herein may not be sufficient for Lyon to meet its operating expenses and service its debt.

The Commission advises Lyon to review its financial position after one year of operation of its expanded system and take appropriate action as it deems necessary. The Commission will monitor Lyon's financial condition through review of Lyon's annual reports for the purpose of determining what, if any, future rate adjustments might be necessary.

RATE DESIGN

Lyon proposed a declining block rate structure and a surcharge applicable to new customers. The Commission will approve a declining block rate structure for Lyon. However, the Commission will not approve Lyon's proposed customer surcharge, as surcharges of this type are contrary to long-standing Commission policy.

The surcharge proposed by Lyon is apparently intended to recover the cost of Lyon's expansion project. However, the record in this case does not specifically link the proposed surcharge with such capital recovery. Neither does the record indicate any compelling reason to approve the surcharge.

On occasion, the Commission does approve surcharges that are directly linked to the recovery of specific capital or operating expenses and which are of limited short-term duration. The Commission does not ordinarily allow surcharges involving expansion projects. Expansion projects benefit rate payers in general and are, at least in this instance, financed through long-term loans.

Lyon's FmHA letter of conditions contains two rate schedules acceptable to FmHA. One includes a customer surcharge. The other does not. Accordingly, consistent with Commission policy concerning customer surcharges, the Commission will approve the rate schedule contained in Lyon's FmHA letter of conditions that does not include a customer surcharge.

In addition, Lyon proposed to increase its meter connection charges effective upon completion of the construction approved in this case. The Commission will not approve increased meter connection charges at this time. The need for increased meter connection charges has not been substantiated in the record of this case and the Commission has not considered additional revenues from increased meter connection charges in determining Lyon's revenue requirement. In the alternative, the Commission advises Lyon that in the future it may apply for increased meter connection charges outside a general rate case proceeding under the provisions of 807 KAR 5:011, Section 10.

FINDINGS AND ORDERS

The Commission, after consideration of the application and evidence of record and being advised, is of the opinion and finds that:

1. Public convenience and necessity require that the construction proposed in the application and record be performed and that a certificate of public convenience and necessity be granted.

2. The proposed project for the Lyon water system includes 194 service connections, about 21 miles of 8-, 6-, and 4-inch

water main, a 200,000-gallon water storage tank, a booster pumping station and miscellaneous appurtenances. The low bids received for the proposed construction totaled \$734,799 which will require about \$1,194,100 in project funding after allowances are made for fees, contingencies, other indirect costs, the purchase of the Lake Barkley Water System and additional construction being considered as a result of receiving bids under the final estimate.

3. Lyon should obtain approval from the Commission prior to performing any additional construction not expressly certificated by this Order.

4. Any deviations from the construction herein approved which could adversely affect service to any customer should be done only with the prior approval of this Commission.

5. Lyon should furnish duly verified documentation of the total costs of this project including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that construction is substantially completed. Said construction costs should be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for Water Utilities prescribed by this Commission.

6. Lyon's contract with its Engineer should require the provision of full-time resident inspection under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering to insure that the construction work is done in accordance with the contract

plans and specifications and in conformance with the best practices of the construction trades involved in the project.

7. Lyon should require the Engineer to furnish a copy of the "as-built" drawings and a signed statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the date of substantial completion of this construction.

8. A 5/8-inch x 3/4-inch meter should be the standard customer service meter for all new customers and should be installed at all points of service unless the customer provides sufficient justification for the installation of a larger meter.

9. The financing plan proposed by Lyon is for lawful objects within the corporate purposes of its utility operations, is necessary and appropriate for and consistent with the proper performance of services to the public and will not impair its ability to perform these services and should, therefore, be approved.

10. The financing secured by Lyon for this project will be needed to pay for the work herein approved. Lyon's financing plan should, therefore, be approved.

11. The rates and charges in Appendix A are fair, just and reasonable and should produce gross operating revenues of \$134,004 for Lyon.

IT IS THEREFORE ORDERED that:

1. Lyon be and it hereby is granted a certificate of public convenience and necessity to proceed with the proposed con-

struction project, as set forth in the drawings and specifications of record herein.

2. Lyon's plan of financing consisting of a loan from the FmHA in the amount of \$598,000 with an interest rate of 9 1/8 percent and a 40-year term, a grant from the FmHA in the amount of \$420,500, a grant from the U.S. Army Corps of Engineers in the amount of \$75,000 and \$100,600 from applicants for service and a partial refund of the purchase price of the Lake Barkley Water System be and it hereby is approved.

3. If under new FmHA loan conditions Lyon is notified and granted the option of accepting a lower interest rate at the date of closing, Lyon shall file with the Commission the FmHA notification of the lower interest rate and shall provide all correspondence from and to FmHA concerning this notification within 30 days of the closing date.

4. Lyon shall file a statement of the interest rate accepted from FmHA within 30 days of the date of closing.

5. If Lyon accepts an interest rate different from the rate approved herein, it shall file amended pages to its bond resolution and an amended amortization schedule.

6. If Lyon is eligible but does not take advantage of a lower interest rate at the time of closing, it shall fully document why the lower rate was not accepted showing an analysis of the higher cost associated with the loan over its life.

7. Lyon shall comply with all matters set out in Findings 3 through 8, as if the same were individually so ordered.

8. The rates in Appendix A be and they hereby are approved for service rendered by Lyon on and after the date of this Order.

9. Within 30 days from the date of this Order Lyon shall file with the Commission its revised tariff sheets setting out the rates approved herein.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein authorized.

Done at Frankfort, Kentucky, this 11th day of July, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9524 DATED JULY 11, 1986.

The following rates and charges are prescribed for the customers in the area served by Lyon County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

5/8" Meter Service

First 2,000 gallons	\$11.90 (Minimum Bill)
Next 3,000 gallons	4.90 per 1,000 gallons
Next 5,000 gallons	3.50 per 1,000 gallons
Next 10,000 gallons	2.10 per 1,000 gallons
Over 20,000 gallons	1.75 per 1,000 gallons

3/4" Meter Service

First 4,000 gallons	\$21.70 (Minimum Bill)
Next 1,000 gallons	4.90 per 1,000 gallons
Next 5,000 gallons	3.50 per 1,000 gallons
Next 10,000 gallons	2.10 per 1,000 gallons
Over 20,000 gallons	1.75 per 1,000 gallons

1" Meter Service

First 15,000 gallons	\$54.60 (Minimum Bill)
Next 5,000 gallons	2.10 per 1,000 gallons
Over 20,000 gallons	1.75 per 1,000 gallons

1 1/2" Meter Service

First 25,000 gallons	\$73.85 (Minimum Bill)
over 25,000 gallons	1.75 per 1,000 gallons

2" Meter Service

First 45,000 gallons	\$108.85 (Minimum Bill)
Over 45,000 gallons	1.75 per 1,000 gallons

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED WATER)	CASE NO.
ADJUSTMENT FILING OF LYON COUNTY)	2021-00195
WATER DISTRICT)	

ORDER

On May 10, 2021, Lyon County Water District (Lyon District) applied for approval to adjust its rates pursuant to the purchased water adjustment (PWA) procedure.¹ Lyon District was notified by electronic letter dated May 13, 2021, that the application was rejected due to certain deficiencies in the application. On May 13, 2021, Lyon District submitted additional information with its response to the deficiency letter, and the application was accepted for filing as of that date. On June 2, 2021, Lyon District supplemented the filing by electronic letter requesting the Purchase Water Adjustment factor be amended from \$0.37 per 1,000 gallons to \$0.38 per 1,000 gallons.

The Commission notes that in Lyon District's 2019 Annual Report a water loss of 17.7175 percent was reported.² Lyon District's application provides updated purchases and sales information for a more current period than the 2019 Annual Report. Commission regulation 807 KAR 5:066(6)(3) states that for ratemaking purposes, a utility's unaccounted-for water loss shall not exceed 15 percent of total water produced

¹ KRS 278.015; 807 KAR 5:068.

² *Annual Report of Lyon County Water District to the Public Service Commission for the Year Ended December 31, 2019* at 57.

and purchased, excluding water consumed by a utility in its own operations. Based upon the updated information in the application and the percentage of other water consumed by the utility in its 2019 Annual Report,³ Lyon District's unaccounted-for water loss is determined to be 19.6166 percent for the updated period.⁴ Reduction of Lyon District's unaccounted-for water loss to 15 percent would result in an approximate \$18,547.46⁵ decrease to purchased water expense. Potentially, Lyon District is paying \$0.2088 per 1,000 gallons sold for expenses associated with unaccounted-for water loss in excess of the allowable 15 percent⁶ threshold.

The Commission is placing greater emphasis on monitoring utilities that consistently exceed the 15 percent unaccounted-for water loss threshold and strongly encourages Lyon District to pursue reasonable actions to reduce its unaccounted-for water loss. Failure by Lyon District to make significant progress toward reducing unaccounted-for water loss may cause the Commission to pursue additional action with the utility.

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

³ *Id.*, line 22 (17,410) divided by line 4 (124,476) equals 13.9866%.

⁴ Total Purchases (application PWA Form 1 at 2)	133,762,137
Less Total Sales (application PWA Form 1 at 2)	88,813,800
Less Plant Use (% determined from 2019 AR)	<u>18,708,775</u>
Water Loss – Gallons	26,239,562
Water Loss – Percent	19.6166%

⁵ Water loss above 15 percent is 4.6166 percent, potential purchased water expensed reduction (Total water cost at new wholesale rate of \$401,755.77 times water loss above 15 percent) = \$18,547.46.

⁶ Potential purchased water expense reduction divided by sales (\$18,547.46/ (88,813,800/1,000)) equals \$0.2088 per 1,000 gallons.

1. Lyon District purchases water from Crittenden-Livingston Water District (Crittenden-Livingston District), city of Eddyville (Eddyville), Princeton Water and Wastewater (Princeton), city of Kuttawa (Kuttawa) and Barkley Lake Water District (Barkley District).

2. Princeton filed a rate case with the Commission, Case No. 2019-00444, and a final Order containing approved rates has been issued. The rates approved were applied in this PWA application.⁷

3. Crittenden-Livingston District notified Lyon District that its wholesale rate would increase from \$2.58 per 1,000 gallons to \$3.34 per 1,000 gallons, effective May 23, 2021. Eddyville notified Lyon District that its wholesale rate would increase from \$3.97 per 1,000 gallons to \$4.09 per 1,000 gallons, effective July 13, 2020. Lyon District proposes to increase the water rates to its customers effective June 1, 2021, to reflect the increased cost of purchased water from Princeton, Crittenden-Livingston District, and Eddyville.

4. Lyon District proposed a purchased water adjustment factor of \$0.38 per 1,000 gallons in its application.

5. During the 12 months ended March 31, 2021, Lyon District purchased 13,950,940 gallons of water from Crittenden-Livingston District, 7,482,000 gallons of water from Eddyville, 65,553,697 gallons of water from Princeton, 45,504,100 gallons of water from Kuttawa and 1,271,400 gallons of water from Barkley District. During the same period, Lyon District sold 88,813,800 gallons of water. The increase in the cost of

⁷ Case No. 2019-00444, *Electronic Proposed Adjustment of the Wholesale Water Service Rates of Princeton Water and Wastewater* (Ky. PSC June 15, 2020).

purchased water is \$32,975.29, resulting in a purchased water adjustment factor of \$0.38 per 1,000 gallons.

6. The purchased water adjustment factor of \$0.38 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just and reasonable and should be approved.

7. Lyon District's proposed rates should be approved.

8. The rates as set forth in Appendix B to this Order are fair, just and reasonable and should be approved for water service rendered by Lyon District on and after June 1, 2021.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.38 per 1,000 gallons is approved.

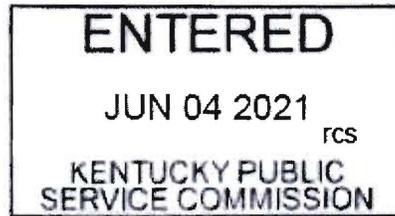
2. The rates proposed by Lyon District are approved.

3. The rates as set forth in Appendix B to this Order are approved for water service rendered by Lyon District on and after June 1, 2021.

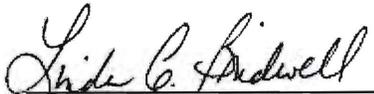
4. Within 20 days of the date of entry of this Order, Lyon District shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

5. This case is closed and removed from the Commission's docket.

By the Commission



ATTEST:


Executive Director

Case No. 2021-00195

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00195 DATED JUN 04 2021

	Base Rate	New Rate	Increase
<u>Crittenden-Livingston District</u>			
Purchases in Gallons	13,950,940	13,950,940	
Wholesale rate	<u>\$2.58/1,000</u>	<u>\$ 3.34/1,000</u>	
	\$35,993.43	\$46,596.14	\$10,602.71
<u>Eddyville</u>			
Purchases in Gallons	7,482,000	7,482,000	
Wholesale rate	<u>\$3.97/1,000</u>	<u>\$4.09/1,000</u>	
	\$29,703.54	\$30,601.38	\$897.84
<u>Princeton</u>			
Purchases in Gallons	65,553,697	65,553,697	
Wholesale rate	<u>\$3.06/1,000</u>	<u>\$3.26/1,000</u>	
	\$200,594.31	\$213,705.05	\$13,110.74
Monthly surcharge	\$697.00	12 months	\$8,364.00
<u>Kuttawa</u>			
Purchases in Gallons	45,504,100	45,504,100	
Wholesale rate	<u>\$2.19/1,000</u>	<u>\$2.19/1,000</u>	
	\$99,653.98	\$99,653.98	No Change
<u>Barkley District</u>			
Purchases in Gallons	1,271,400	1,271,400	
Wholesale rate	<u>\$2.23/1,000</u>	<u>\$2.23/1,000</u>	
	\$2,835.22	\$2,835.22	No Change
Total increased water cost			\$32,975.29
Increased water cost	\$32,975.29		
Divided by sales	<u>88,813,800/1,000</u>		
	0.3712 per	1,000 Gallons	
	or \$ 0.38 per	1,000 Gallons	

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00195 DATED JUN 04 2021

The following rates and charges are prescribed for the customers in the area served by Lyon County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8- x 3/4-Inch Meter

First	2,000 Gallons	\$25.76 Minimum Bill
Next	3,000 Gallons	.01100 per gallon
Next	5,000 Gallons	.00788 per gallon
Next	10,000 Gallons	.00663 per gallon
Over	20,000 Gallons	.00588 per gallon

1-Inch Meter

First	15,000 Gallons	\$121.95 Minimum Bill
Next	5,000 Gallons	.00663 per gallon
Over	20,000 Gallons	.00588 per gallon

1 1/2-Inch Meter

First	25,000 Gallons	\$165.75 Minimum Bill
Over	25,000 Gallons	.00588 per gallon

2-Inch Meter

First	45,000 Gallons	\$298.35 Minimum Bill
Over	45,000 Gallons	.00588 per gallon

*Don Robertson
Chairman
Lyon County Water District
P. O. Box 489
Kuttawa, KY 42055

*Lyon County Water District
5464 U. S. Highway 62 West
P. O. Box 489
Kuttawa, KY 42055

*Michael Hansen
HDR, Inc.
120 Brentwood Commons Way
Suite 525
Brentwood, TENNESSEE 37027

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT) CASE NO.
OF LYON COUNTY WATER DISTRICT) 2015-00102

ORDER

On March 31, 2015, Lyon County Water District ("Lyon County") submitted an application for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

Lyon County included a copy of the Customer Notice and an Affidavit of Publication from the Herald Ledger indicating the Customer Notice was published on March 25, 2015. The Customer Notice incorrectly indicated that the Commission had already approved the adjustment in rates. Furthermore, the Customer Notice contains an incorrect dollar change for the minimum bill for the 1 1/2-inch meter. The correct dollar change is \$0.50, not \$0.80. The Customer Notice also contains the incorrect percentage change on each new rate.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. No later than the issuance of the first bill at the increased rate, Lyon County should publish a revised Customer Notice in the format set forth in Appendix A to this Order.

¹ KRS 278.015; 807 KAR 5:068.

2. Lyon County purchases water from Crittenden-Livingston County Water District ("Crittenden-Livingston"), Princeton Water & Wastewater Department, Eddyville Water Department, Kuttawa Water & Gas, and Barkley Lake Water District.

3. On May 1, 2015, Crittenden-Livingston will increase its wholesale water rate to Lyon County from \$2.46 per 1,000 gallons to \$2.58 per 1,000 gallons.² Lyon County proposed to increase the water rates to its customers effective May 1, 2015, to reflect the increased cost of purchased water.

4. During the 12 months ended December 31, 2014, Lyon County purchased 117,313,111 gallons of water, 12,407,880 of which were purchased from Crittenden-Livingston. Lyon County sold 89,631,400 gallons of water during the same 12 months. The increase in the cost of purchased water is \$1,448.95, 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 B to this Order, is fair, just, and reasonable and should be approved.

6. The rates as set forth in Appendix C to this Order are fair, just, and reasonable and should be approved for water service rendered on and after May 1, 2015.

IT IS THEREFORE ORDERED that:

1. No later than the issuance of the first bill at the increased rate, Lyon County shall publish a revised Customer Notice in the format set forth in Appendix A.

² TFS 2013-00010 (Ky. PSC filed Jan. 2, 2013); The tariff was accepted for filing by the Commission by letter dated Apr. 1, 2013.

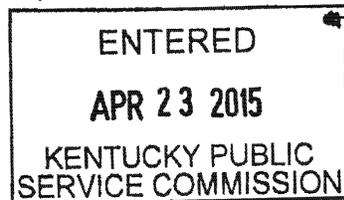
2. The purchased water adjustment factor of \$0.02 per 1,000 gallons is approved.

3. Lyon County's proposed rates are approved.

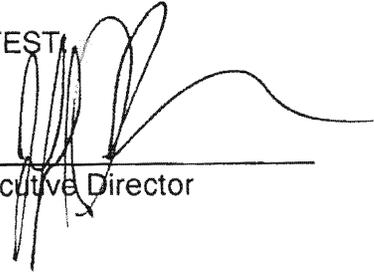
4. The rates set forth in Appendix C to this Order are approved for services rendered on and after May 1, 2015.

5. Within 20 days of the date of this Order, Lyon County shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

By the Commission



ATTEST



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2015-00102 DATED **APR 23 2015**

NOTICE

Due to an increase from its supplier, Lyon County Water District ("Lyon County") received approval from the Public Service Commission to adjust its rates for water service rendered on and after May 1, 2015.

<u>Monthly Rates</u>		<u>Prior Rates</u>	<u>New Rates</u>	<u>\$ Change</u>	<u>% Change</u>
5/8" x 3/4" Meter					
First	2,000 gallons (Minimum Bill)	\$19.98	\$20.02	\$0.04	0.20% Increase
Next	3,000 gallons (per 1,000 gallons)	8.48	8.50	0.02	0.24% Increase
Next	5,000 gallons (per 1,000 gallons)	6.45	6.47	0.02	0.31% Increase
Next	10,000 gallons (per 1,000 gallons)	4.42	4.44	0.02	0.45% Increase
Over	20,000 gallons (per 1,000 gallons)	3.92	3.94	0.02	0.51% Increase
1 Inch Meter					
First	15,000 gallons (Minimum Bill)	\$81.89	\$82.19	\$0.30	0.37% Increase
Next	5,000 gallons (per 1,000 gallons)	3.69	3.71	0.02	0.54% Increase
Over	20,000 gallons (per 1,000 gallons)	3.29	3.31	0.02	0.61% Increase
1 1/2 Inch Meter					
First	25,000 gallons (Minimum Bill)	\$116.75	\$117.25	\$0.50	0.43% Increase
Over	25,000 gallons (per 1,000 gallons)	3.29	3.31	0.02	0.61% Increase
2 Inch Meter					
First	45,000 gallons (Minimum Bill)	\$182.46	\$183.36	\$0.90	0.49% Increase
Over	45,000 gallons (per 1,000 gallons)	3.29	3.31	0.02	0.61% Increase

<u>Effect on Average Monthly Bill</u>		<u>Average Usage</u>	<u>Prior Average Bill</u>	<u>New Average Bill</u>	<u>\$ Change</u>	<u>% Change</u>
5/8" x 3/4" Meter		5,000 gallons	\$45.42	\$45.52	\$0.10	0.22% Increase
1 Inch Meter		16,000 gallons	85.58	85.90	0.32	0.37% Increase
1 1/2 Inch Meter		27,000 gallons	123.33	123.87	0.54	0.44% Increase
2 Inch Meter		46,000 gallons	185.75	186.67	0.92	0.50% Increase

A person may examine this application at Lyon County's office located at 5464 Hwy. 62 West in Kuttawa, Kentucky.

A person may also examine this application at the PSC located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m. or on the PSC website at <http://psc.ky.gov>; telephone (502) 564-3940.

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2015-00102 DATED **APR 23 2015**

	New Rate	Base Rate
Crittenden-Livingston Purchases in gallons	12,407,880	12,407,880
Volumetric rate	<u>\$2.58/1,000</u>	<u>\$2.46/1,000</u>
	\$ 32,012.33	\$ 30,523.38

Increased water cost \$1,448.95

Increased water cost	\$ 1,448.95
Divided by gallons sold/1,000	<u>89,631,400</u>
	\$ 0.016

Purchased water adjustment factor \$0.02 per 1,000 gallons

APPENDIX C

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2015-00102 DATED **APR 23 2015**

The following rates and charges are prescribed for the customers in the area served by Lyon County Water District. 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	2,000 gallons	\$20.02	Minimum Bill
Next	3,000 gallons	8.50	per 1,000 gallons
Next	5,000 gallons	6.47	per 1,000 gallons
Next	10,000 gallons	4.44	per 1,000 gallons
Over	20,000 gallons	3.94	per 1,000 gallons

1-Inch Meter

First	15,000 gallons	\$82.19	Minimum Bill
Next	5,000 gallons	3.71	per 1,000 gallons
Over	20,000 gallons	3.31	per 1,000 gallons

1 1/2-Inch Meter

First	25,000 gallons	\$117.25	Minimum Bill
Over	25,000 gallons	3.31	per 1,000 gallons

2-Inch Meter

First	45,000 gallons	\$183.36	Minimum Bill
Over	45,000 gallons	3.31	per 1,000 gallons

*Lyon County Water District
5464 U. S. Highway 62 West
P. O. Box 489
Kuttawa, KY 42055

*Don Robertson
Chairman
Lyon County Water District
P. O. Box 489
Kuttawa, KY 42055

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF LYON COUNTY WATER) CASE NO. 2011-00275
DISTRICT)

ORDER

On July 15, 2011, Lyon County Water District ("Lyon County") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Lyon County purchases water from the cities of Princeton ("Princeton"), Kuttawa ("Kuttawa"), and Eddyville ("Eddyville"), Crittenden-Livingston Water District ("Crittenden-Livingston District"), and Barkley Lake Water District ("Barkley District").
2. On January 1, 2011, Princeton increased its volumetric wholesale rate to Lyon County from \$2.37 per 1,000 gallons to \$2.71 per 1,000 gallons.
3. On August 17, 2010, Barkley District increased its volumetric wholesale rate to Lyon County from \$1.65 per 1,000 gallons to \$2.23 per 1,000 gallons.²
4. On July 15, 2011, Lyon County proposed a purchased water adjustment factor of \$0.21 per 1,000 gallons which it intended to make effective on August 1, 2011.

¹ KRS 278.015; 807 KAR 5:068.

² Case No. 2010-00301, Application of Barkley Lake Water District For A Certificate of Public Convenience and Necessity to Construct, Finance and Increase Rates Pursuant to KRS 278.023 (Ky. PSC Aug. 17, 2010).

5. During the 12 months ending May 31, 2011, Lyon County purchased 55,220,568 gallons of water from Princeton; 47,872,100 gallons of water from Kuttawa; 13,546,460 gallons of water from Crittenden-Livingston District; 7,757,000 gallons of water from Eddyville; and 379,400 gallons of water from Barkley District; and sold 94,300,300 gallons of water.

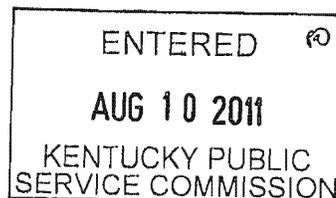
6. The purchased water adjustment factor of \$0.21 per 1,000 gallons is fair, just, and reasonable and should be approved.

7. The rates set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for water service that Lyon County renders on and after August 1, 2011.

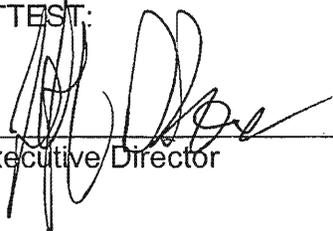
IT IS THEREFORE ORDERED that:

1. Lyon County's proposed rates are approved.
2. The purchased water adjustment factor of \$0.21 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B are approved for service rendered on or after August 1, 2011.
4. Lyon County's proposed tariff sheet filed with the application is approved.

By the Commission



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00275 DATED **AUG 10 2011**

	New Rate	Base Rate
Princeton		
Purchases in gallons	55,220,568	55,220,568
Volumetric rate	<u>\$2.71 /1,000</u>	<u>\$2.37/1,000</u>
	\$149,647.74	\$130,872.75
Kuttawa		
Purchases in gallons	47,872,100	47,872,100
Volumetric rate	No change	No Change
Crittenden-Livingston Water		
Purchases in gallons	13,546,460	13,546,460
Volumetric rate	No change	No Change
Eddyville		
Purchases in gallons	7,757,000	7,757,000
Volumetric rate	No change	No Change
Barkley Lake Water		
Purchases in gallons	379,400	379,400
Volumetric rate	<u>\$2.23 /1,000</u>	<u>\$1.65/1,000</u>
	\$846.06	\$626.01
Increased water cost		\$18,995.05
Increased water cost		\$18,995.05
Divided by gallons sold		<u>94,300,300</u>
Purchased water adjustment factor		\$0.21 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00275 DATED **AUG 10 2011**

The following rates and charges are prescribed for the customers in the area served by Lyon County Water District. 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" Meter

First	2,000 gallons	\$19.54	Minimum Bill
Next	3,000 gallons	8.26	per 1,000 gallons
Next	5,000 gallons	6.23	per 1,000 gallons
Next	10,000 gallons	4.20	per 1,000 gallons
Over	20,000 gallons	3.70	per 1,000 gallons

3/4" Meter

First	4,000 gallons	\$25.66	Minimum Bill
Next	1,000 gallons	5.89	per 1,000 gallons
Next	5,000 gallons	4.49	per 1,000 gallons
Next	10,000 gallons	3.09	per 1,000 gallons
Over	20,000 gallons	2.74	per 1,000 gallons

1" Meter

First	15,000 gallons	\$78.59	Minimum Bill
Next	5,000 gallons	3.47	per 1,000 gallons
Over	20,000 gallons	3.07	per 1,000 gallons

1 1/2" Meter

First	25,000 gallons	\$111.25	Minimum Bill
Over	25,000 gallons	3.07	per 1,000 gallons

2" Meter

First	45,000 gallons	\$172.56	Minimum Bill
Over	45,000 gallons	3.07	per 1,000 gallons

David Lovett
Lyon County Water District
5464 U.S. Highway 62 West
Kuttawa, KENTUCKY 42055

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF) CASE NO. 2004-00361
LYON COUNTY WATER DISTRICT)

O R D E R

Lyon County Water District ("Lyon District") has applied for authority to adjust its rates pursuant to the purchased water adjustment procedure to reflect revisions in the rates of one of its wholesale water suppliers. KRS 278.015 and 807 KAR 5:068. Having considered the application and being otherwise sufficiently advised, the Commission finds that:

1. Lyon District purchases water from the city of Kuttawa, the city of Princeton, and the city of Eddyville.

2. On September 9, 2004, Lyon District applied for authority to adjust its rates to reflect changes in Eddyville's wholesale water rate. In its application, Lyon District stated that Eddyville had been assessing a higher wholesale water service rate for the 2 previous months. Lyon District requested that its proposed rate adjustment become effective on the date the "Eddyville rate is approved by the PSC."

3. On July 1, 2004, Eddyville began assessing its revised rate for wholesale water service without complying with KRS 278.180(1). See also Submission of Contracts and Rates of Municipal Utilities, Administrative Case No. 351 (Ky.PSC August 10, 1994) ("[a]ny municipal utility wishing to change or revise a contract or rate

for wholesale utility service to a public utility shall, no later than 30 days prior to the effective date of the revision, file with the Commission the revised contract and rate schedule”).

4. On September 13, 2004, the Commission, through its Executive Director, advised Eddyville in writing that the municipal utility could not adjust its rate without complying with KRS 278.180.¹

5. On September 13, 2004, Eddyville filed with the Commission its proposed revision to its wholesale water rate.²

6. On October 13, 2004, Eddyville's proposed revision to its wholesale water rate became effective.³

7. During the 12 months ending June 30, 2004, Lyon District purchased 110,206,956 gallons of water and sold 80,583,600 gallons. The increase in the cost of

¹ Letter from Beth O'Donnell, Executive Director, Public Service Commission, to George Crady, Superintendent, Eddyville Water Department, and Marvin L. Wilson, Eddyville City Attorney (September 13, 2004).

² On September 30, 2004, Commission Staff advised Lyon District that its submission did not contain a copy of its supplier's notice of the changed wholesale rate and that its application would be considered deficient until the submission of such notice. See Letter from Beth O'Donnell, Executive Director, Public Service Commission, to Don Robinson, Chairman, Lyon County Water District (September 30, 2004). Commission records, however, do not reflect that Eddyville provided any written notice to Lyon District of its proposed adjustment. The Commission finds that, in the absence of such actual notice, the requirements of Administrative Regulation 807 KAR 5:068, Section 2, may be satisfied by the incorporation by reference of Eddyville's filings into the record of this proceeding. See 807 KAR 5:001, Section 5(5).

³ See Letter from Dennis Brent Kirtley, Manager, Tariff Review Branch, Public Service Commission, to Judy Stone, Mayor, City of Eddyville, Kentucky (October 13, 2004).

purchased water is \$29,353.20, resulting in a purchased water adjustment of \$0.36 per 1,000 gallons.

8. Lyon District's proposed purchased water adjustment of \$0.36 per 1,000 gallons is fair, just, and reasonable and should be approved for service rendered on and after October 13, 2004.

IT IS THEREFORE ORDERED that:

1. Eddyville's filing of September 13, 2004 regarding the proposed adjustment of its wholesale water rate is incorporated by reference into the record of this proceeding.

2. Lyon District's proposed rates are approved.

3. The purchased water adjustment of \$0.36 per 1,000 gallons and the rates appended hereto are fair, just, and reasonable and are approved for service rendered on and after October 13, 2004.

4. Within 20 days of the date of this Order, Lyon District shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 24th day of November, 2004.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004 -00361 DATED NOVEMBER 24, 2004

The following rates and charges are prescribed for the customers in the area served by Lyon County Water District. 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" Meter

First	2,000 gallons	\$19.12 Minimum Bill
Next	3,000 gallons	8.05 per 1,000 gallons
Next	5,000 gallons	6.02 per 1,000 gallons
Next	10,000 gallons	3.99 per 1,000 gallons
Over	20,000 gallons	3.49 per 1,000 gallons

3/4" Meter

First	4,000 gallons	\$24.82 Minimum Bill
Next	1,000 gallons	5.68 per 1,000 gallons
Next	5,000 gallons	4.28 per 1,000 gallons
Next	10,000 gallons	2.88 per 1,000 gallons
Over	20,000 gallons	2.53 per 1,000 gallons

1" Meter

First	15,000 gallons	\$75.44 Minimum Bill
Next	5,000 gallons	3.26 per 1,000 gallons
Over	20,000 gallons	2.86 per 1,000 gallons

1 1/2" Meter

First	25,000 gallons	\$106.00 Minimum Bill
Over	25,000 gallons	2.86 per 1,000 gallons

2" Meter

First	45,000 gallons	\$163.11 Minimum Bill
Over	45,000 gallons	2.86 per 1,000 gallons

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE LYON COUNTY WATER)
DISTRICT ORGANIZED PURSUANT TO CHAPTER 74 OF)
THE KENTUCKY REVISED STATUTES, IN LYON)
COUNTY, KENTUCKY, FOR (1) A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY AUTHORIZING)
AND PERMITTING SAID WATER DISTRICT TO CONSTRUCT) CASE NO.
WATER DISTRIBUTION SYSTEM IMPROVEMENTS,) 95-385
HEREINAFTER IDENTIFIED; (2) THE APPROVAL OF)
THE PROPOSED PLAN OF FINANCING FOR SAID)
IMPROVEMENTS; AND (3) THE APPROVAL OF AN)
INCREASE IN THE RATES AND CHARGES FOR WATER)
SERVICE SUPPLIED BY THE DISTRICT)

O R D E R

On September 6, 1995, Lyon County Water District ("Lyon Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$2,077,000 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. This project will provide service to 172 additional customers. Project funding includes a \$996,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Economic and Community Development ("RECD"), formerly known as Farmers Home Administration, a \$995,000 grant from RECD, and \$86,000 from applicants for service in the proposed project area.

Lyon Water's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture and to issue the necessary orders to implement the terms of such agreements within

30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on September 6, 1995, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Lyon Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Lyon Water's proposed plan of financing with RECD is accepted.

3. Lyon Water is authorized to issue bonds not to exceed \$996,000 to be held or insured by RECD.

4. Lyon Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

5. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

6. Lyon Water shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

7. Lyon Water shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 5(1), Lyon

Water shall take immediate action to bring the system into compliance with Commission regulations.

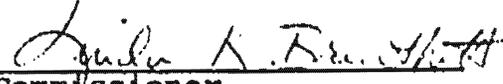
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 6th day of October, 1995.

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. 95-385 DATED October 6, 1995.

The following rates and charges are prescribed for the customers in the area served by Lyon County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Monthly Rates

5/8" Meter

First	2,000 gallons	\$ 16.00 Minimum
Next	3,000 gallons	6.69 per 1,000 gallons
Next	5,000 gallons	4.92 per 1,000 gallons
Next	10,000 gallons	3.16 per 1,000 gallons
Over	20,000 gallons	2.25 per 1,000 gallons

3/4" Meter

First	4,000 gallons	\$ 29.38 Minimum
Next	1,000 gallons	6.69 per 1,000 gallons
Next	5,000 gallons	4.92 per 1,000 gallons
Next	10,000 gallons	3.16 per 1,000 gallons
Over	20,000 gallons	2.25 per 1,000 gallons

1" Meter

First	15,000 gallons	\$ 76.47 Minimum
Next	5,000 gallons	3.16 per 1,000 gallons
Over	20,000 gallons	2.25 per 1,000 gallons

1-1/2" Meter

First	25,000 gallons	\$103.52 Minimum
Over	25,000 gallons	2.25 per 1,000 gallons

2" Meter

First	45,000 gallons	\$148.52 Minimum
Over	45,000 gallons	2.25 per 1,000 gallons

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LYON COUNTY WATER)
DISTRICT FOR APPROVAL OF TAP FEES,)
NON-RECURRING CHARGES, AND REVISED) CASE NO. 9872
RULES FOR PROVISION OF WATER SERVICE)

O R D E R

On February 25, 1987, Lyon County Water District ("Lyon County") filed an application pursuant to 807 KAR 5:011, Section 10, Non-recurring Charges, seeking to increase the tap fee for 5/8-inch meters, to establish certain non-recurring service charges, and for approval of revised rules governing the provision of water service. On March 23, 1987, the Commission requested that additional information be filed. In response to this request and subsequent telephone conversations on April 2, April 14, and April 27, 1987, Lyon County filed the requested information.

On May 12, 1987, a limited on-site review was conducted by Commission staff. The resulting staff report recommended that an amended application be filed. The staff report was accepted by the Commission. Subsequently, on June 23, 1987, Lyon County filed an amended application which included revised cost data and a request for approval of increased tap fees for larger meters. A telephone conference was also held between Commission staff and Don Robertson, Chairman of the District, on July 8, 1987. A supplemental staff report was prepared as a result of the telephone conference. The supplemental report was accepted by the

Commission, and a copy was forwarded to Lyon County on August 18, 1987. By letter filed August 31, 1987, Lyon County concurred with the supplemental report.

Non-recurring Charges

Lyon County proposed charges for reestablishing discontinued service, reconnection, meter recheck, and meter test and adjustment. The amounts proposed to be charged for these services are supported by the cost data submitted with the exception of the reconnection fee. This charge is applicable when service has been discontinued, but the meter has been left in place. The cost data shows labor time of 1 1/2 hours. The service involved in reestablishing discontinued service is similar, but requires physical replacement of a meter which has been removed. The labor time shown for the latter is also 1 1/2 hours. A lesser amount of time would be required for reconnection than for reestablishing service. The labor time for reconnection of service has, therefore, been reduced to one hour resulting in a decrease of \$5.00 for this service.

Tap Fees

Lyon County proposed to increase tap fees for 5/8-inch, 3/4-inch, 1-inch, 1 1/2-inch, and 2-inch meters. The cost information submitted with the amended application appears to duplicate some of the costs. During the telephone conference with Mr. Robertson on July 8, 1987, Mr. Robertson stated there was some confusion as to the presentation of the various cost elements involved. It was ascertained that Lyon County has an agreement with Russcon, Inc., for standard meter installation which includes

materials, equipment rental and labor, varying in proportion to the cost of meters where larger meters are required. There is a separate agreement for a road bore. Also, some additional pipe, equipment, and labor is required in situations where a road bore is necessary. The Commission is of the opinion that these agreements are a reasonable basis for determination of tap fees for 5/8-inch,¹ 3/4-inch and 1-inch meters with allowance for the greater expense of larger meters. However, the different installation conditions for larger meters may result in costs that vary substantially from installation to installation. Therefore, meters larger than 1-inch should be installed at actual cost.

Revised Rules

Lyon County proposed to revise Original Sheet 6 of its current rules and to expand its tariffed rules by adding Original Sheets 8, 9, and 10. With the exception of Original Sheet No. 8, each of the proposed tariff sheets contains provisions which are

<hr/>		
1	<u>5/8-inch Meter</u>	
	Shortside Service	
	Agreed Price (Materials, Equipment, Labor)	\$250.00
	Longside Service	
	Agreed Price	\$250.00
	Additional Pipe 50 ft. @ \$.25/ft.	12.50
	Additional backhoe rental and labor	
	2 hrs @ \$35/hr.	70.00
	Road Bore - Agreed Price	<u>400.00</u>
		<u>\$732.50</u>
		\$982.50

\$982.50 ÷ 2 = \$491.25 Average Cost

not in compliance with the Commission's administrative regulations or are in conflict with other portions of Lyon County's currently approved tariff. Some of the necessary revisions were detailed in the staff report and others were discussed during the audit. Commission staff is available to assist Lyon County in making the necessary revisions.

The Commission, having reviewed the evidence of record and being advised, is of the opinion and finds that:

1. The staff report was accepted by the Commission and Lyon County, and an amended application was filed by Lyon County in accordance with the recommendations contained in the report. The supplemental staff report was also accepted by the Commission, and Lyon County concurs with the reports.

2. The charges proposed by Lyon County for reestablishing discontinued service, meter recheck, and meter test and adjustment are fair, just, and reasonable and should be approved.

3. The amount proposed to be charged for reconnection should be reduced by the cost of one-half hour labor time for the reasons stated herein.

4. The tap fees proposed by Lyon County are not cost supported and should be denied.

5. The tap fees in Appendix A are fair, just, and reasonable and should be approved.

6. The proposed rules are not in compliance with the Commission's administrative regulations and should be denied. Lyon County should contact Commission staff for assistance in making the necessary revisions.

IT IS THEREFORE ORDERED that:

1. The tap fees and reconnection charge proposed by Lyon County are hereby denied.

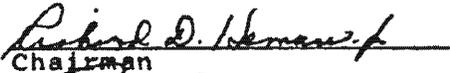
2. The tap fees and non-recurring charges in Appendix A are approved for services rendered on and after the date of this Order.

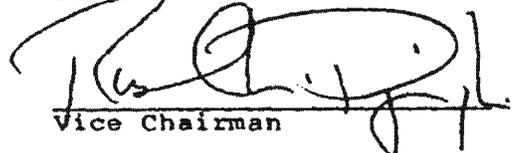
3. The proposed rules are hereby denied.

4. Within 30 days of the date of this Order, Lyon County shall file revised tariff sheets setting out the charges approved herein and rules governing the provision of water service in compliance with Chapter 807 of the Kentucky Administrative Regulations.

Done at Frankfort, Kentucky, this 8th day of September, 1987.

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. 9872 DATED 9/8/87

The following rates and charges are prescribed for the customers in the area served by Lyon County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

TAP FEES

5/8-inch Meter	\$500.00
3/4-inch Meter	550.00
1-inch Meter	600.00
Larger Meters	Actual Cost

NON-RECURRING CHARGES

Trip to recheck meter reading	\$ 15.00
Meter test and adjustment	28.50
Re-establish discontinued service (Meter Physically removed)	35.00
Reconnection (Water disconnected but meter remains in place)	20.00