

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

Name of Utility	Larue County Water District	
Date	October 11, 2022	
Address	6215 North L&N Turnpike	
City, State, Zip	Buffalo, KY	42716
Telephone Number	270-325-3242	
Email Address	Lcwd1@scrtc.com	

1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

Supplier(s)	Base Rate	Changed Rate
Campbellsville	2.54	2.95
Green Taylor WD	2.98	2.98
City of Bardstown	2.64	2.64
City of New Haven	3.02	3.02
Green River Valley	2.59	2.59
City of Hodgenville	2.10	2.10

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

2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From	September 2021	through	August 2022
	(month and year)		(month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

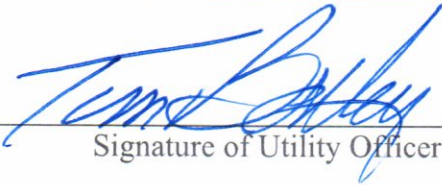
Supplier(s)	Gallons Purchased during 12 month period
Campbellsville	14,187,500
Green Taylor WD	3,562,300
City of Bardstown	33,164,100
City of New Haven	4,380,000
Green River Valley	98,000,000
City of Hodgenville	40,542,100
TOTAL PURCHASES	193,836,000
4. Total gallons sold for the 12 month period	
	178,521,815
5. Increased water cost	
	5,816.88
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation is attached as Exhibit B	
6. Purchased water adjustment factor	
	.04
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold. Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice.	
7. A schedule listing the current and proposed rates is attached as Exhibit C	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit D	
9. Proposed effective date	
	September 28, 2022
 Signature of Utility Officer	
General Manager	
Title	

Exhibit A

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF)	
CAMPBELLSVILLE MUNICIPAL WATER AND)	CASE NO.
SEWER SYSTEM REVISING ITS WHOLESALE)	2022-00278
WATER SERVICE RATES)	

ORDER

On July 20, 2022, Campbellsville Municipal Water and Sewer System (Campbellsville Water) filed with the Commission a revised tariff sheet setting forth a proposed increase to its existing wholesale water rates to Columbia/Adair Utilities District (Adair District), East Casey County Water District (East Casey District), Green-Taylor Water District (Green-Taylor District), Larue County Water District (Larue District) and Marion County Water District (Marion District) (collectively, the Districts) effective August 19, 2022. Campbellsville Water's current monthly wholesale water rate to the Districts, excluding Green-Taylor District, is \$2.54 per 1,000 gallons. Campbellsville Water's proposal increases the wholesale water rate to Adair District, East Casey District, Larue District, and Marion District by \$0.41 per 1,000 gallons, or 16 percent, to \$2.95 per 1,000 gallons. Campbellsville Water's current monthly wholesale water rate to Green-Taylor District is \$2.38 per 1,000 gallons. Campbellsville Water's proposal increases the wholesale water rate to Green Taylor District by \$0.38 per 1,000 gallons, or 16 percent, to \$2.76 per 1,000 gallons.

On August 17, 2022, Green-Taylor District, through counsel, submitted a letter requesting the Commission "to initiate a formal proceeding to investigate the

reasonableness of the proposed rate, establish a procedural schedule that allows for discovery, and issue all orders necessary to ensure that the proposed rate is not placed into effect of otherwise assessed before the required hearing.”¹ Green-Taylor District also requested that the Commission, pursuant to 807 KAR 5:001, Section 8, direct the use of electronic filing procedures for such a proceeding.

Upon receipt of the request from Green-Taylor District to examine the proposed rate adjustment, the Commission initiated this proceeding on August 18, 2022, suspended the proposed rates for five months, up to and including January 18, 2023, and issued a procedural schedule to review the reasonableness of the proposed tariffs. On September 2, 2022, the Commission, by its own motion, suspended the procedural schedule established on August 18, 2022 to afford the parties further opportunity to file notice of appearance. The Commission also scheduled an Informal Conference (IC) for September 15, 2022, to take place via video conference link to discuss issues on rehearing in this proceeding.

On September 20, 2022, Green-Taylor District filed a motion to dismiss the case with prejudice and remove it from the Commission’s docket. In support for this motion, Green-Taylor District stated that as a result of the IC held on September 15, 2022, and the discovery responses provided by Campbellsville Water, Green-Taylor District is

¹ While Green-Taylor District also asserts that KRS 278.200 requires the Commission to hold a hearing before Campbellsville Water can adjust its wholesale rate, KRS 278.200 provides only for a hearing “in the manner prescribed in this [KRS 278] chapter.” Pursuant to KRS 278.190(1), “[t]he commission may, upon its own motion, or upon complaint... hold a hearing concerning the reasonableness of the new rates.” Thus, a hearing is not required. The filing of a revised tariff by a municipal utility “requires an opportunity for a hearing by the Commission before the proposed revision can become effective” Case No. 2011-00419, Proposed Revision of Rules Regarding the Provision of Wholesale Water Service by the City of Versailles to Northeast Woodford Water District (PSC Ky. Aug. 12, 2014), Order at 11.

adequately informed and satisfied that the proposed wholesale water service rates are reasonable.

LEGAL STANDARD

In accordance with KRS 278.303, the legal standard applied to this matter is whether the rates are fair, just and reasonable.²

DISCUSSION AND FINDINGS

Having considered Green-Taylor District's motion to withdraw and being otherwise sufficiently advised, the Commission finds that the motion shall be granted and that Campbellsville Water's proposed rate should be allowed to become effective. The purpose of the Commission's jurisdiction over a municipal utility's wholesale transactions with a public utility is to ensure that any public utility "consumer/customer that has contracted and become dependent for its supply of water from a city utility is not subject to either excessive rates or inadequate service."³ As the proposed rates on their face appear neither unreasonable nor unconscionable, the Commission sees no need to conduct further proceedings in this matter. The Commission recommends that for future wholesale rate increases, that the parties engage in conversation prior to rate filings to discuss questions and concerns.

IT IS THEREFORE ORDERED that:

1. Green-Taylor District's motion to dismiss the instant case with prejudice and remove it from the Commission docket is granted.

² KRS 278.030; and Pub. Serv. Comm'n v. Com. ex rel. Conway, 324 S.W.3d 373, 377 (Ky. 2010).

³ Simpson County Water District v. City of Franklin, Ky., 872 S.W.2d 460, 465 (Ky. 1994).

2. Campbellsville Water's proposed wholesale water service rate of \$2.95 per 1,000 gallons to Adair District, East Casey District, Larue District, and Marion District is approved for service rendered on and after the date of this Order.

3. Campbellsville Water's proposed wholesale water service rates of \$2.76 per 1,000 gallons to Green-Taylor District is approved for service rendered on and after the date of this Order.

4. Within 20 days of the date of service of this Order, Campbellsville Water shall file with this Commission, using the Commission's electronic Tariff Filing System, new tariff sheets setting forth out the rates and charges approved herein and their effective date, and stating that the rates and charges were authorized by this Order.

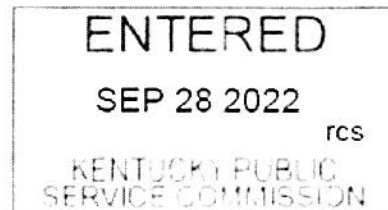
5. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION

Chairman

Vice Chairman

Commissioner



ATTEST:

Executive Director

Case No. 2022-00278

*Diane Ford-Benningfield
Mayor
Campbellsville Municipal Water and Sewer
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*Will Reynolds
Finance Manager
Campbellsville Municipal Water and Sewer
110 S. Columbia Avenue
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Campbellsville, KY 42719

Exhibit B

Exhibit C

CUSTOMER NOTICE

Due to an increase from one of its suppliers (City of Campbellsville), Larue County Water District No.1 received approval from the Public Service Commission to adjust its rates effective September 28, 2022.

Current Rates				Proposed Rates			
<u>Minimum Bills Based on Meter Size</u>				<u>Minimum Bills Based on Meter Size</u>			
Meter Size	Gals. Incl'd. in Minimum	Minimum Monthly Bill	Meter Size	Gals. Incl'd. in Minimum	Minimum Monthly Bill	Dollar Increase	Percent Increase
5/8x3/4 inch	1,000	\$ 18.59	5/8x3/4 inch	1,000	\$ 18.63	\$ 0.04	0.22
3/4 inch	3,000	\$ 35.78	3/4 inch	3,000	\$ 35.90	\$ 0.12	0.34
1 inch	5,000	\$ 52.98	1 inch	5,000	\$ 53.18	\$ 0.20	0.38
1 1/2 inch	10,000	\$ 91.39	1 1/2 inch	10,000	\$ 91.79	\$ 0.40	0.44
3 inch	20,000	\$ 154.18	3 inch	20,000	\$ 154.98	\$ 0.80	0.52
<u>Rates for Water Usage in Addition to Minimum</u>				<u>Rates for Water Usage in Addition to Minimum</u>			
		Charge per 1,000 gals.			Charge per 1,000 gals.		
No. of Gallons per Month			No. of Gallons per Month				
First 1,000 Gallons (lump sum)	\$	18.59	First 1,000 Gallons (lump sum)	\$	18.63	\$ 0.04	0.22
Next 4,000 Gallons	\$	8.62	Next 4,000 Gallons	\$	8.66	\$ 0.04	0.46
Next 5,000 Gallons	\$	7.70	Next 5,000 Gallons	\$	7.74	\$ 0.04	0.52
Next 10,000 Gallons	\$	6.29	Next 10,000 Gallons	\$	6.33	\$ 0.04	0.64
Over 20,000 Gallons	\$	6.29	Over 20,000 Gallons	\$	6.33	\$ 0.04	0.64

The monthly bill for an average customer using 5,000 gallons per month will increase from \$53.07 to \$53.27 this is an increase of .38%.

Larue County Water District No. 1 has available for inspection at its office the application which it submitted to the Public Service Commission. A person may examine this application at Larue County Water District No.'s office located at 6215 North L&N Turnpike Road, Buffalo, KY 42716. You may contact the office at 270-325-3242.

A person may also examine the application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's website at <http://psc.ky.gov>.

FOR LaRue County, Kentucky
Community, Town or City

P.S.C. KY. NO. 11
10th Revised SHEET NO. 4

LaRue County Water District No. 1
(Name of Utility)

CANCELLING P.S.C. KY. NO. 10
9th Revised SHEET NO. 4

SECTION I. RATES AND CHARGES:

A. MONTHLY RATES

5/8 x 3/4 Meter

First	1,000 gallons	\$18.63 minimum bill
Next	4,000 gallons	.00866 per gallon
Next	5,000 gallons	.00774 per gallon
All over	10,000 gallons	.00633 per gallon

3/4 Meter

First	3,000 gallons	\$35.90 minimum bill
Next	2,000 gallons	.00866 per gallon
Next	5,000 gallons	.00774 per gallon
Over	10,000 gallons	.00633 per gallon

1 Inch Meter

First	5,000 gallons	\$53.18 minimum bill
Next	5,000 gallons	.00774 per gallon
All over	10,000 gallons	.00633 per gallon

1 1/2 Inch Meter

First	10,000 gallons	\$91.79 minimum bill
All Over	10,000 gallons	.00633 per gallon

2 Inch Meter

First	20,000 gallons	\$154.98 minimum bill
All Over	20,000 gallons	.00633 per gallon

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DATE OF ISSUE October 10, 2022
Month / Date / Year

DATE EFFECTIVE September 28, 2022
Month / Date / Year

ISSUED BY /s/ John Detre
(Signature of Officer)

TITLE Chairperson

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

Exhibit D

RESOLUTION NO. 2022-10-10

**A RESOLUTION OF LARUE COUNTY WATER DISTRICT NO.1
ADJUSTING ITS WATER RATES TO OFFSET THE CITY OF
CAMPBELLSVILLE' WHOLESALE RATE INCREASE**

WHEREAS, the City of Campbellsville supplies potable water to Larue County Water District No.1 on a wholesale basis'

WHEREAS, on September 28, 2022 the City of Campbellsville received approval from the Public Service Commission in Case No. 2022-00278 to increase its wholesale rate to Larue County Water District No.1 effective September 28, 2022;

WHEREAS, based upon the water purchases from the City of Campbellsville during the previous 12 months, the estimated annual increased cost to Larue County Water District No. 1 will be \$ **5,816.88**;

WHEREAS, prudent financial management dictates that Larue County Water District take action to adjust its retail rates commensurate with the City of Campbellsville's wholesale rate increase; and

WHEREAS, KRS 278.015 and 807 KAR 5:068 provide the legal mechanism for Larue County Water District No. 1 to increase its water rates to commensurate with the City of Campbellsville's wholesale rate increase via a

Purchased Water Adjustment (“PWA”)

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF LARUE COUNTY WATER DISTRICT NO.1 DOES HEREBY RESOLVE AS FOLLOWS:

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

Section 2. The PWA factor is **\$.04** per 1,000gallons.

Section 3. All tiers of water usage and the wholesale water rate set forth in Larue County Water District No. 1’s existing tariff shall be increased by **\$.04** per 1,000 gallons, subject to any minor adjustment that may be made by the PSC.

Section 4. The monthly water rates to be charged to and collected from the customers and users of the water system of Larue County Water District No.1 shall be as set forth in **Exhibit C**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The rates set forth in **Exhibit C** are subject to any minor adjustment that may be made by the PSC. These monthly rates shall be in effect for all water service rendered on and after September 28, 2022 upon PSC approval.

Section 5. The Chairman and the General Manager are hereby authorized

and directed to execute and file the PWA Application, Tariff Sheet, and all other documents that may be required by the PSC.

Section 6. The Chairman, General Manager, and all appropriate Larue County Water District No. 1 Staff are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to implement the PWA.


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


ADOPTED BY THE BOARD OF COMMISSIONERS OF LARUE

COUNTY WATER DISTRICT NO.1 at a meeting held on October 10,

2022, signed by the Chairman, and attested by the Secretary.

ATTEST:



Chairman


Secretary

CERTIFICATION

This is to certify that I have supervised the preparation of the Larue County Water District No.1's Response to the Commission's Request for Information. The response submitted on behalf of the Larue County Water District is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Date: October 10, 2022


Secretary