

PURCHASED WATER ADJUSTMENT FOR WATER DISTRICTS AND WATER ASSOCIATIONS (807 KAR 5:068) Case No. 2024-00395			
Name of Utility	Cannonsburg Water District		
Date	January 10, 2025		
Address	1606 Cannonsburg Road		
City, State, Zip	Ashland,	Kentucky 41102	
Telephone Number	(606) 928-9808		
Email Address	tim@cannonsburgwater.com		
1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.			
Supplier(s)	Base Rate	Changed Rate	
City of Ashland, Ky	\$2.94 per 1,000 gallons	\$3.64 per 1,000 gallons	
1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as <u>Exhibit 1</u>. Note that the letter accompanying the notice contains a clerical error. The letter was mailed to Cannonsburg Water District on December 27, 2024, not December 27, 2022.			
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	December 2023	through	November 2024
	(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.			

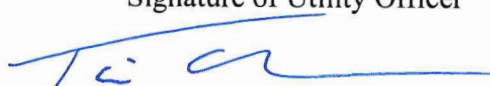
Supplier(s)	Gallons Purchased during 12 month period
City of Ashland, Kentucky	397,827,256
TOTAL PURCHASES	397,827,256
4. Total gallons sold for the 12 month period	311,985,000
5. Increased water cost	\$278,479.08
The increased water cost is the cost difference between purchases at base (current rate) 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 2 .	
6. Purchased water adjustment factor	\$0.8926 which rounds to \$0.90 per thousand gallons
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 3 .	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit 4 .	
9. Proposed effective date	February 1, 2025
Signature of Utility Officer	
	
Tim Webb, District Manager	

Exhibit 1



Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street, Suite 1500
Lexington, KY 40507
p: 859.255.8581 f: 859.231.0851
www.sturgillturner.com

M. Todd Osterloh
Member
tosterloh@sturgillturner.com

December 27, 2022

Cannonsburg Water District
Tim Webb, District Manager
1606 Cannonsburg Road
Ashland, KY 41102

Re: City of Ashland Wholesale Water Rates

To Whom It May Concern:

As you are aware, the City of Ashland is proposing to increase its wholesale water rates. The attached documentation provides additional information on the proposed rate.

Please contact me if you have any questions.

Sincerely,
STURGILL, TURNER, BARKER & MOLONEY, PLLC


M. Todd Osterloh

Cc: Damon Talley (via email)

NOTICE

Notice is hereby given that the City of Ashland proposes to increase its rate for wholesale water service to Cannonsburg Water District with the first phase to be effective no earlier than February 1, 2025. On or about December 27, 2024, documentation will be filed with the Kentucky Public Service Commission to increase rates as follows:

Effective Date	Monthly Volume in Gallons	Current Rate Per 1,000 Gallons	New Rate	Change Per 1,000 gals.	\$ Change Ave. Month	% Change Ave. Rate
Feb. 1, 2025	All usage	\$ 2.94	\$ 3.64	\$ 0.70	\$19,360.02	23.81%
Jan. 1, 2026	All usage	\$ 3.64	\$ 4.24	\$ 0.60	\$16,594.30	16.48%
Jan. 1, 2027	All usage	\$ 4.24	\$ 4.76	\$ 0.52	\$14,381.73	12.26%

Based on average monthly usage of 27,657,167 gallons

The proposed effective date will be no earlier than February 1, 2025. Water flowing through the meter(s) before the effective date will be charged at the current rate while water flowing through the meter(s) on and after the effective date will be charged at the proposed new rate.

The rates contained in this notice are the rates proposed by the City of Ashland but the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any person may examine this filing at the offices of the City of Ashland located at 1700 Greenup Ave, Ashland, KY 41101. Please contact Mark Hall, Utilities Director, at 606-385-3332 regarding any questions related to the proposed rates.

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

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

A timely written request for intervention that establishes grounds for the request may also be submitted to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602. If the PSC does not receive a written request for intervention within thirty (30) days of the date notice was initially provided, the PSC may take final action on the filing.

Exhibit 2

**Cannonsburg Water District
Sales
December 2023 – November 2024**

**Cannonsburg Water District
Purchases from Ashland
December 2023 – November 2024**

Month	Gallons Sold	Month	Gallons Purchased
December 2023	23,992,000	December 2023	30,674,000
January 2024	26,025,000	January 2024	30,275,256
February 2024	23,905,000	February 2024	32,533,000
March 2024	21,806,000	March 2024	28,983,000
April 2024	24,930,000	April 2024	26,563,000
May 2024	29,098,000	May 2024	31,664,000
June 2024	28,738,000	June 2024	45,302,000
July 2024	29,185,000	July 2024	37,982,000
August 2024	29,556,000	August 2024	34,526,100
September 2024	26,845,000	September 2024	35,423,800
October 2024	24,481,000	October 2024	32,770,100
November 2024	23,424,000	November 2024	31,131,000
Total	311,985,000	Total	397,827,256

December 2023 – November 2024 Purchased Water (per thousand gallons)

		Rate (per gallon)	Gallons Purchased	Total
Ashland, Ky	Prior Rate	\$ 0.00294	397,827,256	\$ 1,169,612.13
	New Rate	\$ 0.00364	397,827,256	\$ 1,448,091.21
		Difference		\$ 278,479.08

		<u>PWA Factor</u>
Total Difference	\$ 278,479.08	= 0.0008926 per gallon
Total Sales	311,985,000.00	or
		0.8926 per 1,000 gallons
	Rounded	0.90 per 1,000 gallons
		or
		0.00090 per gallon

Increase on Average 3,382 Gallon Per Month User:

\$38.51 Current 3,382 gallon monthly bill
\$41.55 Revised 3,382 gallon monthly bill with PWA added
 \$3.04 per month increase to average user
 7.89% increase to average user

Exhibit 3

CUSTOMER NOTICE

Due to a rate increase from the city of Ashland, Kentucky, notice is hereby given that Cannonsburg Water District has filed an application for a Purchased Water Adjustment with the Kentucky Public Service Commission for adjusting its water rates. Case No. 2024-00395 has been assigned to the application. Customer rates will increase by \$0.90 per 1,000 gallons or \$0.00090 per gallon used. The proposed change will be effective for service rendered on and after February 1, 2025.

Monthly Water Rates

			<u>Existing Rate</u>	<u>Rate Adjustment</u>	<u>New Rate</u>	<u>Percent Increase</u>
<u>5/8 x 3/4-Inch Meter</u>						
First	2,000	Gallons (Minimum Bill)	\$ 25.33	\$ 1.80	Minimum Bill	7.11 %
Next	3,000	Gallons	0.00954	0.00090	Per Gallon	9.43
Next	15,000	Gallons	0.00877	0.00090	Per Gallon	10.26
Next	30,000	Gallons	0.00809	0.00090	Per Gallon	11.12
Next	50,000	Gallons	0.00772	0.00090	Per Gallon	11.66
Over	100,000	Gallons	0.00677	0.00090	Per Gallon	13.29
<u>1-Inch Meter</u>						
First	5,000	Gallons (Minimum Bill)	\$ 53.96	\$ 4.50	Minimum Bill	8.34 %
Next	15,000	Gallons	0.00877	0.00090	Per Gallon	10.26
Next	30,000	Gallons	0.00809	0.00090	Per Gallon	11.12
Next	50,000	Gallons	0.00772	0.00090	Per Gallon	11.66
Over	100,000	Gallons	0.00677	0.00090	Per Gallon	13.29
<u>2 & 3-Inch Meters</u>						
First	20,000	Gallons (Minimum Bill)	\$ 185.42	\$ 18.00	Minimum Bill	9.71 %
Next	30,000	Gallons	0.00809	0.00090	Per Gallon	11.12
Next	50,000	Gallons	0.00772	0.00090	Per Gallon	11.66
Over	100,000	Gallons	0.00677	0.00090	Per Gallon	13.29

			<u>Existing Rate</u>	<u>Rate Adjustment</u>	<u>New Rate</u>	<u>Percent Increase</u>
<u>6-Inch Meter</u>						
First	50,000	Gallons (Minimum Bill)	\$ 428.03	\$ 45.00	Minimum Bill	\$ 473.03 10.51%
Next	50,000	Gallons	0.00772	0.00090	Per Gallon	0.00862 11.66
Over	100,000	Gallons	0.00677	0.00090	Per Gallon	0.00767 13.29
<u>12-Inch Meter</u>						
First	100,000	Gallons (Minimum Bill)	\$ 814.17	\$ 90.00	Minimum Bill	\$ 904.17 11.05%
Over	100,000	Gallons	0.00677	0.00090	Per Gallon	0.00767 13.29
<u>Wholesale Customers</u>						
Over	100,000	Gallons	\$ 0.00460	\$ 0.00090	Per Gallon	\$ 0.00550 19.57%
<u>Leak Adjustment Rate</u>			\$ 0.00456	\$ 0.00090	Per Gallon	\$ 0.00546 19.74%

The monthly bill for a residential customer using an average of 3,382 gallons per month will increase from \$38.51 to \$41.55 This is an increase of \$3.04 or 7.89 %.

The rates contained in this notice are the rates proposed by Cannonsburg Water District. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates shown in this notice.

Cannonsburg Water District has available for inspection at its office the application which it submitted to the Public Service Commission. Cannonsburg Water District's office is located at 1606 Cannonsburg Road, Ashland, Kentucky 41102. You may contact the office at 606-928-9808.

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>. You may contact the Public Service Commission at 502-564-3940.

Exhibit 4

RESOLUTION NO. 2024-12-01

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE CANNONBURG WATER DISTRICT ADJUSTING WATER RATES AND CHARGES TO OFFSET THE CITY OF ASHLAND WHOLESALE RATE INCREASE

WHEREAS, the City of Ashland (“Ashland”) is Cannonsburg Water District’s (“District”) wholesale water provider;

WHEREAS, Ashland plans to file an application with the Kentucky Public Service Commission (“PSC”) within the next few weeks seeking to increase the wholesale water rate that Ashland charges the District from \$2.94 to \$3.64 per 1,000 gallons, effective on or about February 1, 2025;

WHEREAS, based upon the water purchases from Ashland during the previous 12 months, the estimated annual increased cost to the District will be **\$278,479.08**;

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

WHEREAS, KRS 278.015 and 807 KAR 5:068 provide the legal mechanism

for the District to increase its water rates commensurate with Ashland's wholesale rate increase via a Purchased Water Adjustment ("PWA").

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF CANNONBURG WATER DISTRICT AS FOLLOWS:

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

Section 2. The PWA factor is **\$0.90** per 1,000 gallons;

Section 3. All tiers of water usage set forth in the District's existing tariff shall be increased by **\$0.90** per 1,000 gallons, subject to any minor adjustment that may be made by the PSC.

Section 4. The monthly water rates to be charged to and collected from the customers and users of the water system of the District shall be as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The rates and charges set forth in **Appendix A** are subject to any minor adjustment that may be made by the PSC. These monthly rates and charges shall be in effect for all water service rendered on and after February 1, 2025.

Section 5. The District Manager is hereby authorized and directed to execute and file the PWA Application, Tariff Sheet, and all other documents that

may be required by the PSC.

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

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

ADOPTED BY THE COMMISSION OF CANNONSBURG WATER DISTRICT at a meeting held on December 20, 2024, signed by the Chairman, and attested by the Secretary.

Cannonburg Water District



Robert McGuire, Chairman

ATTEST:

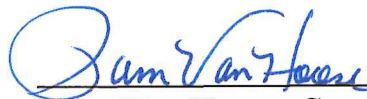


Pam VanHoose, Secretary

CERTIFICATION

I, Secretary of the Cannonsburg Water District (the "District"), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Commission of the District at a meeting properly held on December 20, 2024, signed by the Chairman of the Commission, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 20th day of December, 2024.



Pam VanHoose, Secretary

Rate Schedule
Cannonsburg Water District
Effective February 1, 2025

A. Monthly Water Rates

			<u>Existing Rate</u>	<u>Rate Adjustment</u>	<u>New Rate</u>	<u>Percent Increase</u>
<u>5/8 x 3/4-Inch Meter</u>						
First	2,000	Gallons (Minimum Bill)	\$ 25.33	\$ 1.80	\$ 27.13	Minimum Bill 7.11 %
Next	3,000	Gallons	9.54	0.90	10.44	Per 1,000 Gallons 9.43
Next	15,000	Gallons	8.77	0.90	9.67	Per 1,000 Gallons 10.26
Next	30,000	Gallons	8.09	0.90	8.99	Per 1,000 Gallons 11.12
Next	50,000	Gallons	7.72	0.90	8.62	Per 1,000 Gallons 11.66
Over	100,000	Gallons	6.77	0.90	7.67	Per 1,000 Gallons 13.29
<u>1-Inch Meter</u>						
First	5,000	Gallons (Minimum Bill)	\$ 53.96	\$ 4.50	\$ 58.46	Minimum Bill 8.34 %
Next	15,000	Gallons	8.77	0.90	9.67	Per 1,000 Gallons 10.26
Next	30,000	Gallons	8.09	0.90	8.99	Per 1,000 Gallons 11.12
Next	50,000	Gallons	7.72	0.90	8.62	Per 1,000 Gallons 11.66
Over	100,000	Gallons	6.77	0.90	7.67	Per 1,000 Gallons 13.29
<u>2 & 3-Inch Meters</u>						
First	20,000	Gallons (Minimum Bill)	\$ 185.42	\$18.00	\$ 203.42	Minimum Bill 9.71 %
Next	30,000	Gallons	8.09	0.90	8.99	Per 1,000 Gallons 11.12
Next	50,000	Gallons	7.72	0.90	8.62	Per 1,000 Gallons 11.66
Over	100,000	Gallons	6.77	0.90	7.67	Per 1,000 Gallons 13.29

				<u>Rate</u>			<u>Percent</u>
				<u>Adjustment</u>			<u>Increase</u>
<u>6-Inch Meter</u>							
First	50,000 Gallons	(Minimum Bill)	\$ 428.03	\$ 45.00	\$ 473.03	Minimum Bill	10.51 %
Next	50,000 Gallons		7.72	0.90	8.62	Per 1,000 Gallons	11.66
Over	100,000 Gallons		6.77	0.90	7.67	Per 1,000 Gallons	13.29

<u>12-Inch Meter</u>						
First	100,000 Gallons (Minimum Bill)	\$ 814.17	\$ 90.00	\$ 904.17	Minimum Bill	11.05%
Over	100,000 Gallons	6.77	0.90	7.67	Per 1,000 Gallons	

B. Wholesale Customers

All Customers	\$4.60 Per 1,000 Gallons	\$ 0.90	\$ 5.50	Per 1,000 Gallons	19.57%
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C. Leak Adjustment Rate

\$ 4.56	Per 1,000 Gallons	\$0.90	\$ 5.46	Per 1,000 Gallons	19.74%
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