



MARY ELLEN WIMBERLY
DIRECT DIAL: (859) 231-3047
DIRECT FAX: (859) 246-3647
MaryEllen.Wimberly@skofirm.com

300 WEST VINE STREET
SUITE 2100
LEXINGTON, KY 40507-1801
MAIN: (859) 231-3000
FAX: (859) 253-1093

September 13, 2017

Mr. John S. Lyons
Acting Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

Re: **Proposed Water Rate Increase**
Seller: Lebanon Water Works Company
Buyer: Marion County Water District

Dear Mr. Lyons:

Please find enclosed documents regarding the proposed increase in the water rates charged by Lebanon Water Works Company to the Marion County Water District. The documents include the customer notice, tariff sheet, and a letter explaining the proposed increase addressed to Jimmy Mudd, Manager of Marion County Water District. The customer notice, tariff sheet, and letter were hand-delivered to Mr. Mudd on September 12, 2017, at 8:05 AM.

Should you have any questions or need further information, please feel free to contact me.

Sincerely,

Stoll Keenon Ogden PLLC

A handwritten signature in blue ink that reads "Mary Ellen Wimberly".

Mary Ellen Wimberly

MEW

FOR Marion County Water District
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Lebanon Water Works Company
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

CLASSIFICATION OF SERVICE


Marion County Water District Water Rates

Meter Charge, per meter per month	\$ 7.35	
Volume Charge per 100 Cubic Feet	\$3.35	
Rate Case Expense Surcharge*	\$ 2,000.00	Per Month

*Lebanon Water proposes a surcharge to recover all expenses it may incur to participate in and defend its proposed rates in any Public Service Commission proceeding that is initiated to investigate the reasonableness of those rates. These expenses include fees and expenses for any rate consultant, cost-of-service experts, accountants, legal services, and any other consultants. The surcharge will be assessed over a period of 36 months and the amount of the monthly surcharge will equal one-thirty-sixth ($\frac{1}{36}$) of the total amount of expenses that Lebanon Water incurs to defend its proposed rates. (For example, if Lebanon Water incurs total expenses of \$72,000 to defend its proposed rates, the amount of the monthly surcharge would be \$2,000.)

DATE OF ISSUE September 11, 2017
Month / Date / Year

DATE EFFECTIVE November 15, 2017
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE President

By Authority Of Order Of The Public Service Commission

IN CASE NO. _____ DATED _____

CUSTOMER NOTICE

Lebanon Water Works Company (“Lebanon Water”) is providing notice that it plans to file with the Public Service Commission, on or before September 14, 2017, to increase its water rates to the Marion County Water District effective for water service on and after November 15, 2017. The proposed rates are as follows:

	Current Rate	Proposed Rate	\$ Difference	% Difference
Meter Charge (monthly, per meter)	\$6.75	\$7.35	\$0.60 increase	8.9% increase
Volume Charge (per 100 cubic feet)	\$2.50	\$3.35	\$0.85 increase	34% increase

Marion County Water District purchased 598,251 hundred cubic feet of water from Lebanon Water during the Test Year (FY ending 6-30-16). Its average monthly purchases were 49,854 hundred cubic feet. It purchases water through 12 master meters. Under the current rates, Marion County Water District’s average monthly bill for both water consumption and meter charges is \$124,716. Under the proposed rates, Marion County Water District’s average monthly bill for both water consumption and meter charges will be \$167,099. This is an increase of \$42,383 per month or 34%.

Rate Case Expenses. Lebanon Water further proposes a surcharge to recover all expenses it may incur to participate in and defend its proposed rates in any Public Service Commission proceeding that is initiated to investigate the reasonableness of those rates. These expenses include fees and expenses for any rate consultant, cost-of-service experts, accountants, legal services, and any other consultants. The surcharge will be assessed over a period of 36 months and the amount of the monthly surcharge will equal one-thirty-sixth ($\frac{1}{36}$) of the total amount of expenses that Lebanon Water incurs to defend its proposed rates. (For example, if Lebanon Water incurs total expenses of \$72,000 to defend its proposed rates, the amount of the monthly surcharge would be \$2,000.)

Water flowing through the meters before the effective date will be charged at the current rates while water flowing through the meters on and after the effective date will be charged at the new rates.

This filing may be examined at the offices of Lebanon Water located at 120 S. Proctor Knott Avenue, Lebanon, Kentucky 40033. Please contact Daren Thompson, Operations & Management Superintendent, at (270) 692-2491 regarding any questions related to the proposed rates.

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

Comments regarding this filing may be submitted by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602; or through its website at <http://psc.ky.gov>.

The new rates are the rates proposed by Lebanon Water in its filing, but the Public Service Commission may order rates that differ from the proposed rates contained in this Customer Notice.

Intervention by Marion County Water District or another person with a substantial interest may be requested by submitting a timely written request for intervention by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602. The request for intervention must establish the grounds for the request including the status and interest of the party.

If the Public Service Commission does not receive a written request prior to the effective date of the proposed rates, the Public Service Commission may take final action on the proposed rates.



120 S. Proctor Knott Avenue
Lebanon, Kentucky 40033-1299
(270) 692-2491
Fax (270) 692-6413
TTY (800) 648-6056

September 12, 2017

Mr. Jimmy Mudd, Manager
Marion County Water District
PO Box 528
1835 Campbellsville Road
Lebanon, KY 40033

Hand Delivered

RE: Proposed Water Rate Increase

Dear Jimmy:

Last night, the Lebanon City Council had the Second Reading and passage of Ordinance No. 2017-06, which amends both the Meter Charge and the O & M Charge (volumetric rate) for water service provided by Lebanon Water Works Company (Lebanon Water).

Attached are the following documents, which contain the new rates, the proposed Effective Date, and other information, required by the PSC:

1. Customer Notice; and
2. Tariff Sheet.

Lebanon Water plans to file these documents with the PSC on or before September 14, 2017. If you have any questions, please let me know.

Sincerely,

A handwritten signature in dark ink, appearing to read "Daren S. Thompson", is written over a large, stylized circular flourish.

Daren S. Thompson
Operations & Management Superintendent
Enclosures