

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF THE CITY OF)	
LANCASTER TO INCREASE THE WHOLESALE)	CASE NO.
RATE CHARGED TO GARRARD COUNTY)	2023-00424
WATER ASSOCIATION)	

ORDER

On December 11, 2023, the city of Lancaster, Kentucky (Lancaster) filed a tariff to increase the wholesale rate charged to Garrard County Water Association (Garrard Water). Lancaster proposed to implement the increase in three phases with the first phase effective January 11, 2024, the second phase effective January 1, 2025, and the third phase effective January 1, 2026. Lancaster responded to two requests for information from Commission Staff. Those responses are attached as Appendix B to this Order and are made a part of the evidentiary record of this case.

Lancaster indicated that it was also raising its rates to its retail customers, but unlike the wholesale rate increase to Garrard Water, the proposed rates to its retail customers excluded recovery of depreciation expenses. While the Commission does not have jurisdiction over the retail rates of Lancaster, the disparate treatment regarding depreciation expenses does bring into question whether Garrard Water and its customers could be subsidizing Lancaster's retail customers.

KRS 278.030 provides that a utility may collect fair, just and reasonable rates and that the service it provides must be adequate, efficient and reasonable. Having reviewed the proposed tariff and being otherwise sufficiently advised, the Commission finds that an

investigation is necessary to determine the reasonableness of the proposed tariff, mainly Lancaster's recovery of depreciation expense from Garrard Water but not its retail customers, and that such investigation cannot be completed by January 10, 2024. Pursuant to KRS 278.190(2), the Commission will, therefore, suspend the effective date of the proposed tariff for five months, up to and including June 10, 2024.

The Commission directs Lancaster to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ in which the Commission mandated the use of electronic filing procedures listed in 807 KAR 5:001, Section 8. The Commission finds that electronic filing procedures should be used, consistent with the filing procedures set forth in Case No. 2020-00085.

The Commission further finds that a procedural schedule should be established to review the reasonableness of the proposed tariff. The procedural schedule is attached as Appendix A to this Order.

Additionally, any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001, Section 2, if the hearing is not concluded on the designated day, the hearing may be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing. Hearings are held in the Richard Raff Hearing Room at the offices of the Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky. Witnesses who

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

sponsor schedules, testimony, or responses to requests for information are expected to participate in person at a hearing.

IT IS THEREFORE ORDERED that:

1. This proceeding is established to investigate the reasonableness of the proposed tariff.

2. Lancaster's proposed tariff is suspended for five months from January 11, 2024, up to and including June 10, 2024.

3. Lancaster shall, by counsel, enter an appearance in this proceeding within seven days of the date of service of this Order. The entry of appearance shall include the name, address, telephone number, fax number, and electronic mail address of counsel.

4. Lancaster shall file responses to the request for information attached as Appendix C to this Order no later than January 22, 2024.

5. Unless otherwise ordered by the Commission, the procedures set forth in 807 KAR 5:001, Section 8, related to service and electronic filing of papers shall be followed in this proceeding.

6. Pursuant to 807 KAR 5:001, Section 8(9), within seven days of the date of service of this Order, Lancaster shall file by electronic means a written statement that it waives any right to service of Commission Orders by United States mail and that it or its authorized agent possess the facilities to receive electronic submissions.

7. Unless a party granted leave to intervene states its objection to the use of electronic filing procedures in a motion for intervention, the party shall:

a. Be deemed to have consented to the use of electronic filing procedures and the service of all papers, including Orders of the Commission, by electronic means; and

b. Within seven days of the date of service of an order of the Commission granting intervention, file with the Commission a written statement that:

(1) It or its authorized agent possesses the facilities to receive electronic transmissions; and

(2) Sets forth the electronic mail address to which all electronic notices and messages related to this proceeding shall be served.

8. If a party objects to the use of electronic filing procedures and the Commission determines that good cause exists to excuse that party from the use of electronic filing procedures, service of documents on that party and by that party shall be made in accordance with 807 KAR 5:001, Section 4(8).

9. The procedural schedule set forth in Appendix A to this Order shall be followed.

10. Lancaster shall respond to all requests for information propounded by Commission Staff, whether identified on the procedural schedule or otherwise, as provided in those requests.

11. As set forth in 807 KAR 5:001, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding, which is not adequately represented in the case, or (2) that the person requesting permissive intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly

complicating or disrupting the proceedings. Therefore, any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not otherwise adequately represented, or the issues and facts the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of utility service consumed by the movant or a general statement regarding the potential impact of possible modification of rates will not be deemed sufficient to establish a special interest.

12. Any motion to intervene after the date established in the procedural schedule shall also show good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

13. Lancaster shall give notice of the hearing in accordance with the provisions set forth in 807 KAR 5:001, Section 9(2). In addition, the notice of the hearing shall include the following statements: "This hearing will be streamed live and may be viewed on the PSC website, psc.ky.gov" and "Public comments may be made at the beginning of the hearing. Those wishing to make oral public comments may do so by following the instructions listed on the PSC website, psc.ky.gov." At the time publication is requested, Lancaster shall forward a duplicate of the notice and request to the Commission.

14. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

15. Any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001, Section 2, if the hearing is not concluded on the designated day, the hearing shall be continued upon verbal announcement by the presiding officer. A verbal

announcement made by the presiding officer shall be proper notice of the continued hearing.

16. Witnesses who sponsor schedules, testimony, or responses to requests for information shall participate in person at any hearing scheduled in this matter.

17. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), a digital video recording shall be made of the hearing.

18. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of times with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

19. The Commission does not look favorably upon motions to excuse witnesses from testifying at Commission hearings. Accordingly, motions to excuse a witness from testifying at a Commission hearing or from testifying in person at a Commission hearing shall be made in writing and will be granted only upon a showing of good cause.

20. The Executive Director shall serve a copy of this Order upon Garrard Water.

PUBLIC SERVICE COMMISSION



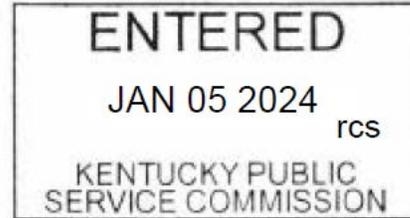
Chairman



Vice Chairman



Commissioner



ATTEST:



Linda C. Bridwell
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00424 DATED JAN 05 2024

Requests for intervention shall be filed no later than 01/18/2024

Lancaster shall file responses to the request attached
as Appendix C to this Order no later than.....01/22/2024

Initial requests for information to Lancaster
shall be filed no later than 02/02/2024

Lancaster shall file responses to
initial requests for information no later than.....02/16/2024

All supplemental requests for information to Lancaster
shall be filed no later than 03/01/2024

Lancaster shall file responses to supplemental requests
for information no later than 03/15/2024

Intervenor testimony, if any, in verified prepared
form shall be filed no later than.... 03/22/2024

All requests for information to Intervenors shall
be filed no later than..... 04/05/2024

Intervenors shall file responses to requests for
information no later than..... 04/19/2024

Lancaster shall file, in verified form, its rebuttal
testimony no later than.....04/26/2024

Lancaster or any Intervenor shall request either a
hearing or that the case be submitted for decision
based on the record no later than.....05/01/2024

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00424 DATED JAN 05 2024

THIRTY PAGES TO FOLLOW

Rogness, Benjamin (PSC)

From: Bob Miller <bob.miller@straightlineky.com>
Sent: Thursday, December 14, 2023 1:25 PM
To: Hinton, Daniel E (PSC)
Cc: Rogness, Benjamin (PSC)
Subject: RE: City of Lancaster Wholesale Customer Notice and Tariff
Attachments: Alternative Ordinance.pdf

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

This Message Originated from Outside the Organization

This Message Is From an External Sender.

Report Suspicious

Good afternoon.

Kentucky Rural Water Association prepared rate studies for retail and wholesale water rates for City of Lancaster. Lancaster City Council adopted the attached ordinance in November 2023 that raised retail water rates at the same time that they raised wholesale water rates. The retail rate increase is substantially lower than the wholesale rate increase because Lancaster City Council chose to exclude depreciation expenses from the retail revenue requirement. If depreciation had been included in the retail rates, then the retail rate increase would have been slightly higher than the wholesale rate increase. The retail rate increase also includes an ongoing increase of 1.5% per year on January 1 of each subsequent year beginning January 1, 2027.

Bob

Robert K. Miller



From: [Hinton, Daniel E \(PSC\)](#)
Sent: Thursday, December 14, 2023 8:30 AM
To: [Bob Miller](#)
Cc: [Rogness, Benjamin \(PSC\)](#)
Subject: RE: City of Lancaster Wholesale Customer Notice and Tariff

Mr. Miller,

Do you know if Lancaster is raising its retail rates too?

From: Bob Miller <bob.miller@straightlineky.com>
Sent: Wednesday, December 13, 2023 2:47 PM
To: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Cc: Rogness, Benjamin (PSC) <benjamin.rogness@ky.gov>
Subject: RE: City of Lancaster Wholesale Customer Notice and Tariff

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

Good afternoon.

Terms and conditions for water sales between City of Lancaster and Garrard County Water Association are set forth in the attached Water Purchase Agreement dated October 3, 2017. The minimum purchase amount is established in paragraph 3 of the Agreement:

“3. Minimum Purchases. The Purchaser shall purchase from the Seller the following minimum quantities of water according to the time deadlines and subject to the condition shown below:

- 1. There is no minimum purchase requirement until the New WTP Project is substantially completed and the New WTP Project has been placed into service (the “Substantial Completion date”);*
- 2. From and after the Substantial Completion Date, the Purchaser shall purchase a minimum of 325,000,000 gallons annually;*
- 3. All minimum annual purchase requirements are based upon 12 full months of purchases with each annual period ending on January 10. For periods less than a calendar year, the minimum purchase shall be prorated;*
- 4. In the event the Purchaser fails to purchase the minimum annual amount in a particular year, the Seller shall calculate the deficit and submit an invoice on the first business day of February for the amount owed b the Purchaser. This invoice shall be separate from the monthly bill rendered by the Seller for each master meter pursuant to paragraph 9 of this Agreement. The Purchaser shall have 30 days to pay the invoice; and*
- 5. In the event the Purchaser uses more than the minimum amount in a particular year, the surplus amount shall not be carried forward to the next calendar year.”*

The substantial completion date was in early 2022. City of Lancaster did not consider changing to a single step rate design from the two step rate design.

Bob

Robert K. Miller

From: [Hinton, Daniel E \(PSC\)](#)
Sent: Wednesday, December 13, 2023 7:27 AM
To: [Bob Miller](#)
Cc: [Rogness, Benjamin \(PSC\)](#)
Subject: RE: City of Lancaster Wholesale Customer Notice and Tariff

Mr. Miller,

Staff has the following requests regarding Lancaster’s wholesale rate tariff filing:

1. Explain the Minimum Purchase expense amount of \$1,218,750 and the “above” the Minimum Purchase expense amount of \$67,287 being products of the proposed rate multiplied by the gallons sold in both these categories.
2. Explain whether Lancaster considered changing to a single step rate design from the two step rate design.

Responses can be emailed to us at the addresses above.

If you have any questions, please let us know.

Thanks.

Daniel

ORDINANCE AMENDING CITY ORDINANCE

No. 610.5, SECTION 4

WATER AND SEWER RATES FOR CITY OF LANCASTER

WHEREAS, City of Lancaster has determined that it is necessary to ensure that water and sewer rates are adequate to recover all costs to operate and maintain the water and sewer systems; and

WHEREAS, current rates do not provide sufficient revenues to adequately operate and maintain the water and sewer systems; and

WHEREAS, City of Lancaster has engaged Kentucky Rural Water Association to perform rate studies for the water and sewer systems; and

WHEREAS, those rate studies have been completed and recommend increases in water and sewer rates; and

WHEREAS, the Mayor and City Council concur that it would be prudent to implement the rate increases over three years;

NOW THEREFORE, BE IT RESOLVED by City of Lancaster that Ordinance No. 610.5, Section 4, be amended as follows:

EFFECTIVE JANUARY 1, 2024

RESIDENTIAL IN TOWN WATER RATES IN THOUSAND GALLONS

Previous		New		Difference	
Minimum Monthly Bill for 1,000 Gallons	\$ 14.30	Minimum Monthly Bill for 1,000 Gallons	\$ 14.51	\$ 0.21	1.47%
Next 1,000 Gallons	\$ 7.21	Next 1,000 Gallons	\$ 7.32	\$ 0.11	1.53%
Next 10,000 Gallons	\$ 6.78	Next 10,000 Gallons	\$ 6.88	\$ 0.10	1.47%
Next 14,000 Gallons	\$ 6.58	Next 14,000 Gallons	\$ 6.68	\$ 0.10	1.52%
Next 24,000 Gallons	\$ 5.82	Next 24,000 Gallons	\$ 5.91	\$ 0.09	1.55%
Next 1,000,000 Gallons	\$ 5.41	Next 950,000 Gallons	\$ 5.49	\$ 0.08	1.48%
All Over 10,000,000 Gallons	\$ 3.53	All Over 1,000,000 Gallons	\$ 3.58	\$ 0.05	1.42%

RESIDENTIAL OUTSIDE TOWN WATER RATES IN THOUSAND GALLONS

Previous		New		Difference	
Minimum Monthly Bill for 1,000 Gallons	\$ 21.32	Minimum Monthly Bill for 1,000 Gallons	\$ 21.64	\$ 0.32	1.50%
Next 1,000 Gallons	\$ 10.79	Next 1,000 Gallons	\$ 10.95	\$ 0.16	1.48%
Next 10,000 Gallons	\$ 10.17	Next 10,000 Gallons	\$ 10.32	\$ 0.15	1.47%
Next 14,000 Gallons	\$ 9.86	Next 14,000 Gallons	\$ 10.01	\$ 0.15	1.52%
Next 24,000 Gallons	\$ 8.72	Next 24,000 Gallons	\$ 8.85	\$ 0.13	1.49%
Next 1,000,000 Gallons	\$ 8.10	Next 950,000 Gallons	\$ 8.22	\$ 0.12	1.48%
All Over 10,000,000 Gallons	\$ 5.30	All Over 1,000,000 Gallons	\$ 5.38	\$ 0.08	1.51%

COMMERCIAL WATER RATES IN THOUSAND GALLONS

Previous		New		Difference	
Minimum Monthly Bill for 1,000 Gallons	\$ 14.12	Minimum Monthly Bill for 1,000 Gallons	\$ 14.51	\$ 0.39	2.76%
Next 1,000 Gallons	\$ 7.12	Next 1,000 Gallons	\$ 7.32	\$ 0.20	2.81%
Next 10,000 Gallons	\$ 6.70	Next 10,000 Gallons	\$ 6.88	\$ 0.18	2.69%
Next 14,000 Gallons	\$ 6.50	Next 14,000 Gallons	\$ 6.68	\$ 0.18	2.77%
Next 24,000 Gallons	\$ 5.75	Next 24,000 Gallons	\$ 5.91	\$ 0.16	2.78%
Next 1,000,000 Gallons	\$ 5.34	Next 950,000 Gallons	\$ 5.49	\$ 0.15	2.81%
All Over 10,000,000 Gallons	\$ 3.49	All Over 1,000,000 Gallons	\$ 3.58	\$ 0.09	2.58%

WHOLESALE WATER RATES IN THOUSAND GALLONS

Previous		New		Difference	
First 325,000,000 Gallons		First 325,000,000 Gallons			
Minimum Annual Purchase	\$ 2.49	Minimum Annual Purchase	\$ 2.91	\$ 0.42	16.87%
All Over 325,000,000 Gallons		All Over 325,000,000 Gallons			
Annual Purchase	\$ 1.40	Annual Purchase	\$ 1.64	\$ 0.24	17.14%

SEWER RATES IN THOUSAND GALLONS

Previous		New		Difference	
All Usage	\$ 10.31	All Usage	\$ 11.39	\$ 1.08	10.48%

EFFECTIVE JANUARY 1, 2025

RESIDENTIAL IN TOWN WATER RATES IN THOUSAND GALLONS

Previous		New		Difference	
Minimum Monthly Bill for 1,000 Gallons	\$ 14.51	Minimum Monthly Bill for 1,000 Gallons	\$ 14.73	\$ 0.22	1.52%
Next 1,000 Gallons	\$ 7.32	Next 1,000 Gallons	\$ 7.43	\$ 0.11	1.50%
Next 10,000 Gallons	\$ 6.88	Next 10,000 Gallons	\$ 6.98	\$ 0.10	1.45%
Next 14,000 Gallons	\$ 6.68	Next 14,000 Gallons	\$ 6.78	\$ 0.10	1.50%
Next 24,000 Gallons	\$ 5.91	Next 24,000 Gallons	\$ 6.00	\$ 0.09	1.52%
Next 950,000 Gallons	\$ 5.49	Next 950,000 Gallons	\$ 5.57	\$ 0.08	1.46%
All Over 1,000,000 Gallons	\$ 3.58	All Over 1,000,000 Gallons	\$ 3.63	\$ 0.05	1.40%

RESIDENTIAL OUTSIDE TOWN WATER RATES IN THOUSAND GALLONS

Previous		New		Difference	
Minimum Monthly Bill for 1,000 Gallons	\$ 21.64	Minimum Monthly Bill for 1,000 Gallons	\$ 21.96	\$ 0.32	1.48%
Next 1,000 Gallons	\$ 10.95	Next 1,000 Gallons	\$ 11.11	\$ 0.16	1.46%
Next 10,000 Gallons	\$ 10.32	Next 10,000 Gallons	\$ 10.47	\$ 0.15	1.45%
Next 14,000 Gallons	\$ 10.01	Next 14,000 Gallons	\$ 10.16	\$ 0.15	1.50%
Next 24,000 Gallons	\$ 8.85	Next 24,000 Gallons	\$ 8.98	\$ 0.13	1.47%
Next 950,000 Gallons	\$ 8.22	Next 950,000 Gallons	\$ 8.34	\$ 0.12	1.46%
All Over 1,000,000 Gallons	\$ 5.38	All Over 1,000,000 Gallons	\$ 5.46	\$ 0.08	1.49%

COMMERCIAL WATER RATES IN THOUSAND GALLONS

Previous		New		Difference	
Minimum Monthly Bill for 1,000 Gallons	\$ 14.51	Minimum Monthly Bill for 1,000 Gallons	\$ 14.73	\$ 0.22	1.52%
Next 1,000 Gallons	\$ 7.32	Next 1,000 Gallons	\$ 7.43	\$ 0.11	1.50%
Next 10,000 Gallons	\$ 6.88	Next 10,000 Gallons	\$ 6.98	\$ 0.10	1.45%
Next 14,000 Gallons	\$ 6.68	Next 14,000 Gallons	\$ 6.78	\$ 0.10	1.50%
Next 24,000 Gallons	\$ 5.91	Next 24,000 Gallons	\$ 6.00	\$ 0.09	1.52%
Next 950,000 Gallons	\$ 5.49	Next 950,000 Gallons	\$ 5.57	\$ 0.08	1.46%
All Over 1,000,000 Gallons	\$ 3.58	All Over 1,000,000 Gallons	\$ 3.63	\$ 0.05	1.40%

WHOLESALE WATER RATES IN THOUSAND GALLONS

Previous		New		Difference	
First 325,000,000 Gallons Minimum Annual Purchase	\$ 2.91	First 325,000,000 Gallons Minimum Annual Purchase	\$ 3.40	\$ 0.49	16.84%
All Over 325,000,000 Gallons Annual Purchase	\$ 1.64	All Over 325,000,000 Gallons Annual Purchase	\$ 1.92	\$ 0.28	17.07%

SEWER RATES IN THOUSAND GALLONS

Previous		New		Difference	
All Usage	\$ 11.39	All Usage	\$ 12.58	\$ 1.19	10.45%

EFFECTIVE JANUARY 1, 2026

RESIDENTIAL IN TOWN WATER RATES IN THOUSAND GALLONS

Previous		New		Difference	
Minimum Monthly Bill for 1,000 Gallons	\$ 14.73	Minimum Monthly Bill for 1,000 Gallons	\$ 14.95	\$ 0.22	1.49%
Next 1,000 Gallons	\$ 7.43	Next 1,000 Gallons	\$ 7.54	\$ 0.11	1.48%
Next 10,000 Gallons	\$ 6.98	Next 10,000 Gallons	\$ 7.08	\$ 0.10	1.43%
Next 14,000 Gallons	\$ 6.78	Next 14,000 Gallons	\$ 6.88	\$ 0.10	1.47%
Next 24,000 Gallons	\$ 6.00	Next 24,000 Gallons	\$ 6.09	\$ 0.09	1.50%
Next 950,000 Gallons	\$ 5.57	Next 950,000 Gallons	\$ 5.65	\$ 0.08	1.44%
All Over 1,000,000 Gallons	\$ 3.63	All Over 1,000,000 Gallons	\$ 3.68	\$ 0.05	1.38%

RESIDENTIAL OUTSIDE TOWN WATER RATES IN THOUSAND GALLONS

Previous		New		Difference	
Minimum Monthly Bill for 1,000 Gallons	\$ 21.96	Minimum Monthly Bill for 1,000 Gallons	\$ 22.29	\$ 0.33	1.50%
Next 1,000 Gallons	\$ 11.11	Next 1,000 Gallons	\$ 11.28	\$ 0.17	1.53%
Next 10,000 Gallons	\$ 10.47	Next 10,000 Gallons	\$ 10.63	\$ 0.16	1.53%
Next 14,000 Gallons	\$ 10.16	Next 14,000 Gallons	\$ 10.31	\$ 0.15	1.48%
Next 24,000 Gallons	\$ 8.98	Next 24,000 Gallons	\$ 9.11	\$ 0.13	1.45%
Next 950,000 Gallons	\$ 8.34	Next 950,000 Gallons	\$ 8.47	\$ 0.13	1.56%
All Over 1,000,000 Gallons	\$ 5.46	All Over 1,000,000 Gallons	\$ 5.54	\$ 0.08	1.47%

COMMERCIAL WATER RATES IN THOUSAND GALLONS

Previous		New		Difference	
Minimum Monthly Bill for 1,000 Gallons	\$ 14.73	Minimum Monthly Bill for 1,000 Gallons	\$ 14.95	\$ 0.22	1.49%
Next 1,000 Gallons	\$ 7.43	Next 1,000 Gallons	\$ 7.54	\$ 0.11	1.48%
Next 10,000 Gallons	\$ 6.98	Next 10,000 Gallons	\$ 7.08	\$ 0.10	1.43%
Next 14,000 Gallons	\$ 6.78	Next 14,000 Gallons	\$ 6.88	\$ 0.10	1.47%
Next 24,000 Gallons	\$ 6.00	Next 24,000 Gallons	\$ 6.09	\$ 0.09	1.50%
Next 950,000 Gallons	\$ 5.57	Next 950,000 Gallons	\$ 5.65	\$ 0.08	1.44%
All Over 1,000,000 Gallons	\$ 3.63	All Over 1,000,000 Gallons	\$ 3.68	\$ 0.05	1.38%

WHOLESALE WATER RATES IN THOUSAND GALLONS

Previous		New		Difference	
First 325,000,000 Gallons Minimum Annual Purchase	\$ 3.40	First 325,000,000 Gallons Minimum Annual Purchase	\$ 3.97	\$ 0.57	16.76%
All Over 325,000,000 Gallons Annual Purchase	\$ 1.92	All Over 325,000,000 Gallons Annual Purchase	\$ 2.24	\$ 0.32	16.67%

SEWER RATES IN THOUSAND GALLONS

Previous		New		Difference	
All Usage	\$ 12.58	All Usage	\$ 13.89	\$ 1.31	10.41%

AND BE IT FURTHER RESOLVED that water and sewer rates will be increased by 1.5% per year on January 1 of each subsequent year beginning January 1, 2027.

This ordinance shall take effect after its passage and upon publication.

Enacted this the _____ day of _____, 2023.

Michael Gaffney, Mayor
City of Lancaster

Attest:

Teresa Cheek,
Lancaster City Clerk

First Reading: _____

Second Reading: _____

Signed by Mayor: _____

Published: _____

WATER PURCHASE AGREEMENT

BETWEEN

CITY OF LANCASTER, KENTUCKY

AND

**GARRARD COUNTY
WATER ASSOCIATION, INC.**

October 3, 2017

**KENTUCKY
PUBLIC SERVICE COMMISSION**

**Gwen R. Pinson
Executive Director**

Gwen R. Pinson

EFFECTIVE

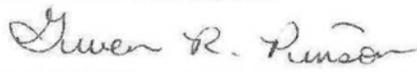
11/16/2017

PURSUANT TO 807 KAR 5.011 SECTION 9 (1)

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KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director

EFFECTIVE 11/16/2017 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

WATER PURCHASE AGREEMENT

This Water Purchase Agreement (the "Agreement") is made and entered into as of the 3rd day of October, 2017, by and between the **CITY OF LANCASTER, KENTUCKY**, 308 W. Maple Avenue, Lancaster, Kentucky 40444, hereinafter referred to as the "Seller," and the **GARRARD COUNTY WATER ASSOCIATION, INC**, P.O. Box 670, 315 Lexington Road, Lancaster, Kentucky 40444, hereinafter referred to as the "Purchaser."

WITNESSETH:

WHEREAS, the Seller is a duly organized and existing municipal corporation and city of the home rule class of the Commonwealth of Kentucky;

WHEREAS, the Purchaser is a non-profit water association organized under the provisions of the KRS Chapter 273;

WHEREAS, the Seller currently owns and operates water supply, treatment, and distribution facilities;

WHEREAS, the Seller intends to construct a new water treatment plant and other water supply improvements as described in engineering reports prepared by the Kentucky Engineering Group, PLLC (the "New WTP Project on the Project") for the benefit of both the Seller and the Purchaser;

KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director

EFFECTIVE 11/16/2017 PURSUANT TO 807 KAR 5.011 SECTION 9 (1)

WHEREAS, the Purchaser currently owns and operates a water distribution system;

WHEREAS, the Purchaser has been purchasing potable water from the Seller pursuant to the provisions of a Water Purchase Contract dated March 25, 1970 (the "Existing Contract");

WHEREAS, the Existing Contract has been amended or modified on numerous occasions;

WHEREAS, the Parties wish to supersede the Existing Contract, and all amendments or modifications thereto, with this Agreement;

WHEREAS, by Resolution No. 17-5 duly adopted on October 2, 2017 by the Seller's City Council, this Agreement was approved and the Seller's Mayor was authorized to execute this Agreement for and on behalf of the Seller; and

WHEREAS, by a Resolution duly adopted on October 3, 2017, by the Board of Directors of the Purchaser, this Agreement was approved and the Purchaser's President was authorized to execute this Agreement for and on behalf of the Purchaser.

KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director 
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NOW THEREFORE, in consideration of the foregoing and the mutual terms and conditions contained herein, the Seller and Purchaser agree as follows:

1. Term of Agreement. The term of this Agreement shall extend for a period of approximately 45 years, commencing on the Effective Date hereof as provided in paragraph 21 and terminating on June 30, 2062, unless otherwise extended or modified by written agreement of the Parties or terminated pursuant to the terms of this Agreement.

2. Quantity of Water. The Seller shall furnish to the Purchaser, at the points of delivery hereinafter specified, such quantities of water as the Purchaser may require, but not to exceed an amount which, when combined with the usage of all other customers of the Seller, would exceed the Seller's water production capacity.

3. Minimum Purchases. The Purchaser shall purchase from the Seller the following minimum quantities of water according to the time deadlines and subject to the conditions shown below:

- A. There is no minimum purchase requirement until the New WTP Project is substantially completed and the New WTP Project has been placed into service (the "Substantial Completion Date").
- B. From and after the Substantial Completion Date, the Purchaser shall purchase a minimum of 325,000,000 gallons per day.

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- C. All minimum annual purchase requirements are based upon 12 full months of purchases with each annual period ending on January 10. For periods less than a calendar year, the minimum annual amount shall be prorated;
- D. In the event the Purchaser fails to purchase the minimum annual amount in a particular year, the Seller shall calculate the deficit and submit an invoice on the first business day of February for the amount owed by the Purchaser. This invoice shall be separate from the monthly bill rendered by the Seller for each master meter pursuant to paragraph 9 of this Agreement. The Purchaser shall have 30 days to pay the invoice; and
- E. In the event the Purchaser uses more than the minimum amount in a particular year, the surplus amount shall **not** be carried forward to the next calendar year.

4. **Quality of Water.** The Seller shall furnish to the Purchaser, at the points of delivery hereinafter specified, during the term of this Agreement, or any renewal or extension thereof, potable, treated water meeting the applicable water quality standards of all appropriate state and federal regulatory agencies.

5. **Operation of System.** The Seller shall, at all times, operate and maintain its water system in an efficient manner and shall take such action as may be reasonably necessary to perform its obligations under this Agreement. Temporary or partial failures to deliver water shall be remedied diligently with all practicable dispatch. The Seller shall immediately inform the Purchaser by telephone, by email, or by facsimile transmission of the nature and extent of such temporary or partial failure to deliver water. In the event of water, or if the supply of water available to the Seller is otherwise diminished

KENTUCKY PUBLIC SERVICE COMMISSION <i>Gwen R. Pinson</i> Executive Director
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over an extended period of time, the supply of water to the Purchaser shall be reduced or diminished in the same proportion as the supply to the Seller's other customers is reduced or diminished. The Purchaser also agrees to take such steps as may be reasonably necessary to curtail water usage within its system in response to a shortage of water.

6. **Delivery Points.** The Seller shall deliver the water to the Purchaser at the existing points of delivery shown below and at such additional or substitute points of delivery which may be agreed upon in writing by both Parties:

- A. **Danville Road Meter** which is located on west Kentucky Highway 52 at a point approximately 50 feet east of the centerline of Old Danville Road at the Seller's western corporate limits;
- B. **Lexington Road Meter** which is located on north U.S. Highway 27 at a point approximately 200 feet south of the centerline of House Hill Road;
- C. **Stanford Road Meter** which is located on south U.S. Highway 27 near the intersection of Stanford Road and Industry Road near the common property line of Moss Wholesale Flower and The Country Diner;
- D. **Fall Lick Road Meter** which is located at the intersection of Crab Orchard Road and Fall Lick Road;

KENTUCKY
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Gwen R. Pinson
Executive Director



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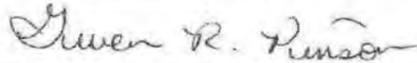
- E. **Buckeye Road Meter** which is located at a point just north of the entrance to the Feldman Lumber Company;
- F. **Merriwood Estates Meter** which is located on the south side of Kentucky Highway 39 at a point almost directly in front of the WRNZ Radio Station; and
- G. **Richmond Road Meter** which is located along the south side of Richmond Road, Loop 1 at a point approximately 50 feet west of the centerline of Conn's Lane.

The water shall be furnished at the points of delivery at a minimum pressure of seventy (70) pounds per square inch. The Seller shall use reasonable care and diligence in the operation and maintenance of its water system to prevent and avoid abnormal interruptions and fluctuations of supply and pressure. Should greater pressures than that available at a point of delivery be required by the Purchaser, it shall be Purchaser's responsibility, at its own expense, to provide within its system such booster pumping, storage, or other facilities as may be required to develop and maintain additional pressures within the Purchaser's system.

Emergency failures of water supply due to main supply line breaks, power failure, flood, fire, and use of water to fight fire, earthquake, or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

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7. **Metering Equipment.** The Seller shall furnish, install, own, operate, and maintain at its own expense the necessary metering equipment to reliably measure the quantity of water delivered to the Purchaser and shall test such metering equipment once every year. The Seller shall provide a 24-hour notice to Purchaser prior to conducting any meter tests, allow access to the metering site during testing, and submit test results to the appropriate official designated by the Purchaser. A meter registering within the acceptable limits as identified by AWWA Standards shall be deemed to be accurate. Previous readings of any meter disclosed by test results to be inaccurate (registering outside of acceptable limits of AWWA Standards based upon type of meter) shall be adjusted for the six-month period prior to the test in accordance with the percentage of inaccuracy found by such test. Billings for the period shall be recalculated and the Purchaser's account credited or charged accordingly. If any meter fails to register usage for any period, the amount of water furnished during such period shall be estimated by any reasonable means agreeable to both the Purchaser and Seller. The metering equipment shall be read on or about the 10th day of each month, or any other day mutually agreed upon. An appropriate official of the Purchaser shall have access to each master meter for the purpose of collecting usage data and recording each master meter's readings.

usage data and recording each PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director

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8. **Telemetry.** The Purchaser is considering the possibility of installing, at its own expense, telemetry equipment at some or all of the points of delivery to enable it to remotely read the master meters. The Seller hereby consents to such installation at those points of delivery where there is adequate space and where the telemetry equipment will not pose a safety hazard. The Purchaser is not obligated to install telemetry equipment at any of the points of delivery, but if it elects to do so, the Purchaser shall be responsible for the payment of all costs associated therewith. In addition, the Purchaser shall operate and maintain, at its own expense, the telemetry equipment. Ownership of the telemetry equipment shall remain vested in the Purchaser. The Purchaser shall not install telemetry equipment at any point of delivery, however, without first presenting a drawing or illustration of the proposed telemetry equipment to the Seller. The Seller shall then promptly review the proposed installation and determine whether there is adequate space at the point of delivery or if the telemetry equipment is likely to pose a safety hazard.

9. **Billing and Payment Procedure.** The Seller shall furnish the Purchaser at the above address, not later than the **first** business day of each month, an itemized statement of the amount of water furnished the Purchaser at each delivery point during the preceding billing cycle and the cost thereof. The

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Purchaser shall pay those charges not later than the 10th day of each month. Any amount unpaid after the due day shall be subject to a 10% late payment fee.

10. Cost Based Rates. The Seller shall establish and adjust, from time to time, the wholesale rate based upon the Seller's actual cost of providing water service to the points of delivery described in paragraph 6 of this Agreement. It is understood and agreed by the Parties that the Seller shall charge the Garrard County Water Association, Inc. and the City of Crab Orchard the same wholesale rate.

11. Initial Rate Schedule. The initial wholesale rate shall be **\$2.05** per 1,000 gallons, plus the applicable Kentucky River Authority water withdrawal fees (the "KRA Fees"). This is the same rate that has been in effect since May 3, 2016. The wholesale rate shall be adjusted according to the following schedule:

Date	Amount (per 1,000 gallons)
5-03-16	\$ 2.05 plus KRA Fees
1-10-18	\$ 2.10 plus KRA Fees
7-10-18	\$ 2.15 plus KRA Fees
7-10-19	\$ 2.20 plus KRA Fees
7-10-20	\$ 2.25 plus KRA Fees
Substantial Completion Date	\$ 2.49 plus KRA Fees
Annually Thereafter	May be adjusted per Agreement

<p align="center">KENTUCKY PUBLIC SERVICE COMMISSION</p>
<p align="center">Gwen R. Pinson Executive Director</p>
<p align="center"><i>Gwen R. Pinson</i></p>
<p align="center">EFFECTIVE 11/16/2017 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)</p>

12. **Reduced Rate.** From and after the Substantial Completion Date, the Purchaser is obligated, pursuant to paragraph 3 of this Agreement, to purchase certain minimum annual quantities of water. Once the Purchaser reaches the applicable minimum quantity, then all water purchased for the remainder of that particular annual period shall be sold at a reduced rate of \$1.40 per 1,000 gallons, plus the applicable KRA Fees.

13. **Rate Modification.** Commencing twelve months after the Substantial Completion Date, the Seller shall have the right, on an annual basis, to adjust or modify the volumetric rate set forth in paragraph 11 and the reduced rate set forth in paragraph 12 of this Agreement, to reflect changes in the Seller's cost of providing water service to the Purchaser. Any increase or decrease in the wholesale rate shall be based on a demonstrable increase or decrease in the costs of performance hereunder.

14. **Advance Notice of Rate Modification.** Except for the Initial Rate and the other incremental rate adjustments set forth in paragraph 11 of this Agreement, the Seller shall notify the Purchaser in writing of the proposed rate adjustment or modification at least thirty (30) days before it is to be adopted as the actual rate. This will enable the Purchaser to review and Public Service Commission rate before it is actually adopted by the Seller.

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At the expiration of the thirty (30) day review period, the Seller may establish and adopt the actual rate to be charged the Purchaser and shall immediately notify the Purchaser in writing of the new rate.

15. Effective Date of Rate Modification. The effective date of the new wholesale rate shall be at least 30 days after the Seller adopts the new rate. This will enable the Seller to file a revised tariff with the Kentucky Public Service Commission (the "PSC") and obtain PSC approval of the new rate. This will also provide the Purchaser sufficient time to obtain a Purchased Water Adjustment from the PSC.

16. Use of Surplus Funds. Subject to the limits of the Seller's applicable bond ordinances, any reserve or surplus funds generated from the sale of water to the Purchaser (e.g. cash funded depreciation accounts, operating surpluses, renewal and replacement accounts, and any other non-restricted funds, etc.) shall be set aside by the Seller (the "Surplus Funds"). The Seller may use these Surplus Funds to pay the costs of unusual or extraordinary maintenance, repairs, renewals, or replacements to its raw water intake, raw water transmission facilities, water production facilities, or transmission and storage facilities. In addition, the Surplus Funds shall be available for use by the Seller to construct or ~~make~~ ^{KENTUCKY} additions, improvements, and/or equipment useful to its raw water ~~intake~~ ^{intake} or transmission facilities, water production facilities or

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facilities which will either enhance its revenue-producing capacity or provide a higher degree of service. Seller's breach of the provisions of this paragraph shall be deemed to be a material breach of this Agreement.

17. Financial and Operational Information. Commencing with the fiscal year ending June 30, 2017 and continuing annually thereafter during the term of this Agreement, the Seller shall provide the Purchaser with a copy of the Seller's Independent Auditor's Report within 30 days after it has been released. In addition, the Purchaser, its auditor, or other designated representative shall have the right, at its own expense, to examine, upon reasonable notice and during regular business hours, the Seller's financial records and operating reports concerning water production, water sales, water expenditures, and line loss. Such examination shall be conducted in such a manner that it does not unduly disrupt the Seller's normal office routine. The Seller reserves the right to limit such examination to one (1) examination per fiscal year. Seller's breach of the provisions of this paragraph shall be deemed to be a material breach of this Agreement.

18. Evaluation of WTP Operations. Commencing at least six (6) months, but not more than 12 months, following the Substantial Completion of the New WTP Project, and continuing annually thereafter, a C... the Kentucky Rural Water Association, Inc. (the "KRWA") OF ANCHORING PARTY

KENTUCKY Substantial Completion of the
Gwen R. Pinson Executive Director
<i>Gwen R. Pinson</i>
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agreed upon by the Seller and the Purchaser) shall conduct an on-site evaluation of the WTP Operations if requested by the Purchaser. The purpose of the evaluation shall be to review WTP operations, maintenance, record keeping, and reporting practices and procedures. The Qualified Third Party shall compare actual practices with the recommended procedures contained in the Operation and Maintenance Manual for the WTP. It shall prepare a written report summarizing its findings and recommendations. Each Party shall receive a copy of the evaluation report. The Qualified Third Party's fee shall be paid as follows: the Seller shall pay 25% and the Purchaser shall pay 75%. Both Parties may have an authorized representative present during the on-site evaluation.

In the event the Qualified Third Party recommends that corrective action be taken, the Seller shall, within a reasonable period of time, give due consideration to implementing the recommendations. The Seller shall promptly notify the Purchaser in writing of the Seller's proposed course of action.

Breach of the provisions of this paragraph of this Agreement by either Party, shall be deemed to be a material breach of this Agreement.

19. USDA-RD Concurrence. The construction of the Project is being financed in part by a loan made by, and a grant from, the agency of the U.S. Department of Agriculture.

KENTUCKY PUBLIC SERVICE COMMISSION
<i>Steven R. Rinson</i> Executive Director
There <i>Steven R. Rinson</i>
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subject to concurrence by Rural Development as evidenced by the signature of a duly authorized Rural Development official.

20. PSC Review. The Parties acknowledge that this Agreement cannot become effective until it has been reviewed and accepted for filing by the PSC. Seller shall file an executed copy of this Agreement with the PSC. Purchaser pledges its assistance to help expedite the PSC review process.

21. Effective Date. The Parties acknowledge that, in order for this Agreement to become effective, the following events must occur:

- A. Rural Development shall acknowledge concurrence; and
- B. PSC shall review this Agreement and accept it for filing.

The Effective Date of this Agreement shall be the date upon which the later of the above events occurs. The Seller shall give written notice of the Effective Date to the Purchaser.

22. Contingencies. Certain undertakings and obligations of the Parties set forth in this Agreement are expressly conditioned and contingent upon the following:

- A. The Seller shall not be obligated to construct the New WTP Project under the following circumstances:
 - (1) If seller is unable to secure all the funding sources and amounts set forth in paragraph 2 of the Conditions dated April 21, 2017; or
 - (2) If the construction bids exceed \$9,310,000;

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W. R. Moore Executive Director	
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- (3) If the total Project costs are reasonably anticipated to exceed \$11,000,000.
- B. The Seller shall not borrow more than \$8,500,000 for the New WTP Project without first obtaining the prior, written consent of the Buyer.
- C. If the New WTP Project is not constructed by the Seller, then the following provisions of this Agreement shall not be applicable:
 - (1) **Paragraph 3 – Minimum Purchases.** The Purchaser shall not be obligated to purchase the minimum quantities set forth in paragraph 3;
 - (2) **Paragraph 11 – Initial Rate Schedule.** The automatic wholesale rate adjustment (\$2.49 per 1,000 gallons) scheduled to take effect on the Substantial Completion Date shall become null and void. The Seller shall have the right, however, to adjust the wholesale rate pursuant to the procedures set forth in paragraphs 10, 13, 14, and 15 of this Agreement; and
 - (3) **Paragraph 12 – Reduced Rate.** This paragraph shall be null and void.

23. Indemnification. Each Party shall be solely responsible for the construction, operation, and maintenance of its respective water system. Each Party, to the extent permitted by law, expressly agrees to indemnify, save harmless, and defend the other Party against all claims, demands, cost, or expense asserted by third parties and proximately caused by the negligence or willful misconduct of such indemnifying Party in connection with the construction, operation, and maintenance of its respective water system.

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24. Notices. If at any time either Party desires or is required to give notice to the other Party pursuant to the terms of this Agreement, such notice shall be in writing and shall be hand delivered or mailed by certified mail, return receipt requested. Notice shall be effective upon receipt. Notices shall be given to the Parties at the following addresses or such other place or other person as each Party shall designate by similar notice:

A. As to the Seller:

City of Lancaster
308 W. Maple Avenue
Lancaster, KY 40444
Attention: Mayor

B. As to the Purchaser:

Garrard County Water Association, Inc.
P.O. Box 670
315 Lexington Road
Lancaster, KY 40444
Attention: President

25. Response to Notices. At any time either Party desires or is required to respond to any notice given pursuant to paragraph 24, such response shall be made in the manner prescribed by paragraph 24 and be given within fifteen (15) days after receipt of the notice unless otherwise provided in this Agreement.

<p>KENTUCKY PUBLIC SERVICE COMMISSION Gwen R. Pinson Executive Director</p> 
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26. **Regulatory Agencies.** This Agreement is subject to such rules, regulations, or laws as may be applicable to similar agreements in the Commonwealth of Kentucky. The Seller and Purchaser shall collaborate in obtaining such permits, approvals, certificates or the like as may be required to comply therewith.

27. **Pledge.** It is understood by the Parties that the Seller intends to, and does by the execution of the Agreement, pledge this Agreement and the revenues generated hereunder to the United States of America, acting by and through the U.S. Department of Agriculture, Rural Development (the "USDA-RD") as part of the security for the repayment of all indebtedness currently owed by the Seller to USDA-RD, and any additional loans hereinafter obtained from USDA-RD. The Purchaser, however, is not incurring any liability to USDA-RD because of the Seller's pledge of this Agreement to USDA-RD; and the Purchaser is not incurring any independent obligation to USDA-RD because of this pledge by the Seller.

28. **Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns. This Agreement shall not be assigned by either Party without the written consent of the other Party, which consent shall not be unreasonably withheld. Any assignment or transfer is to a successor in the operation of a merger, consolidation, sale or foreclosure where substantial all such

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<i>Gwen R. Pinson</i>
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properties are acquired by such a successor empowered by law and financially able to effect the purposes of this Agreement which it must assume and, thereafter, be exclusively responsible for the performance of the terms of this Agreement to be performed by either Party hereunder.

29. Paragraph Headings. The descriptive headings of the various paragraphs of this Agreement have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms and provisions hereof.

30. Entire Agreement; Severability. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter contained herein. Except as otherwise provided herein, no subsequent alteration, amendment, change, or addition to this Agreement shall be binding upon either Party unless and until it is reduced to writing and signed by both Parties. Should any provision of this Agreement be declared to be invalid or unenforceable by a Court of competent jurisdiction, the remaining provisions of this Agreement shall remain in full force and effect unless such invalid or unenforceable provisions substantially alter the benefits of the Agreement for either Party.

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Gwen R. Pinson Executive Director 
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31. **Non-Waiver.** Any waiver at any time by any Party hereto of its rights with respect to the other Party or with respect to any matter arising in connection with this Agreement shall not be considered a waiver of any such rights or matters at any subsequent time.

32. **Prior Contracts Superseded.** As of the Effective Date of this Agreement, the Existing Contract, and all amendments or modifications thereto, shall be superseded by this Agreement.

[Remainder of this page intentionally left blank]

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Gwen R. Pinson Executive Director 
EFFECTIVE 11/16/2017 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

IN WITNESS WHEREOF, the Parties hereto, acting under authority of their respective governing bodies, have caused this Agreement to be duly executed in multiple counterparts, each of which shall constitute an original.

SELLER:

City of Lancaster, Kentucky



Chris Davis, Mayor

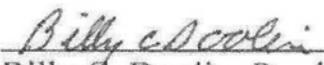
Attest:



Debbie Carrier, City Clerk

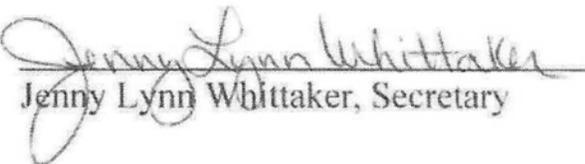
PURCHASER:

Garrard County Water Association, Inc.



Billy C. Doolin, President

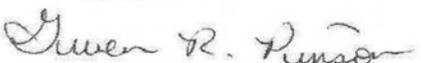
Attest:



Jenny Lynn Whittaker, Secretary

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Gwen R. Pinson
Executive Director



EFFECTIVE

11/16/2017

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

APPENDIX C

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2023-00424 DATED JAN 05 2024

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO THE CITY OF LANCASTER

The city of Lancaster (Lancaster), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on January 22, 2024. The Commission directs Lancaster to the Commission's July 22, 2021 Order in Case No. 2020-00085² regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Lancaster shall make timely amendment to any prior response if Lancaster obtains information that indicates the response was incorrect or incomplete when made or,

² Case No. 2020-00085. *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Lancaster fails or refuses to furnish all or part of the requested information, Lancaster shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company and jurisdictional operations. When filing a paper containing personal information, Lancaster shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Provide the most recent combined cost of service analysis for wholesale and retail customers. If a combined analysis is not available, provide the retail analysis for the same period as the wholesale analysis that was previously provided.

2. Provide a list of all differences in calculation methods between the wholesale analysis and retail analysis and describe the reasoning for the different treatment of each item.

*Robert K. Miller
Straightline Kentucky LLC
113 North Birchwood Ave.
Louisville, KENTUCKY 40206

*City of Lancaster
308 W Maple
Lancaster, KY 40444

*Michael Gaffney
Mayor
308 West Maple Ave
Lancaster, KENTUCKY 40444

*Garrard County Water Association, Inc.
315 Lexington Road
P. O. Box 670
Lancaster, KY 40444