

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF JESSAMINE-SOUTH	)	CASE NO.
ELKHORN WATER DISTRICT FOR A TREATED	)	2014-00301
SEWAGE ADJUSTMENT	)	

ORDER

On August 27, 2014, the Commission accepted for filing Jessamine-South Elkhorn Water District's ("Jessamine") application for approval to adjust its rates pursuant to the treated sewage adjustment procedure.<sup>1</sup>

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

1. Lexington Fayette Urban County Government ("LFUCG") agreed by contract dated January 3, 2003, to treat sewage transmitted from Jessamine. The contract allows sewer user fees to be calculated based upon the monthly water use of all sewer service customers.

2. On July 1, 2014, LFUCG increased its wholesale sewage treatment rate to Jessamine from \$4.56 per 100 cubic feet to \$4.65 per 100 cubic feet.<sup>2</sup> Jessamine proposes to increase the sewage rates by \$0.14 per 1,000 gallons to its customers effective September 1, 2014.

---

<sup>1</sup> KRS 278.015; 807 KAR 5:075.

<sup>2</sup> TFS 2014-00306 (Ky. PSC Filed May 22, 2014); The tariff was accepted for filing by the Commission by letter dated July 1, 2014.

3. During the 12 months ended June 30, 2014, Jessamine reported 5,861,791 cubic feet of water consumption (43,963,434 gallons) by its sewer customers. The increase in the cost of treated sewage is \$5,275.61, resulting in a treated sewage adjustment of \$0.13 per 1,000 gallons. Jessamine's calculation contained a mathematical error and the \$0.13 is the correct calculated treated sewage adjustment.

4. The treated sewage adjustment of \$0.13 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

5. Jessamine's proposed rates should be denied. The rates as set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for sewer service rendered on and after September 1, 2014.

6. Jessamine has requested a deviation from 807 KAR 5:075, Section 3, requesting that "Total Utility Water Sales" include only the total water sales to sewer customers, not the total water sales to water and sewer customers. No deviation is necessary. As used in 807 KAR 5:075, Section 3(1), "Total Utility Water Sales" only applies only to the sale of water to sewer customers.

IT IS THEREFORE ORDERED that:

1. A treated sewage adjustment of \$0.13 per 1,000 gallons is approved.
2. Jessamine's proposed rates are denied. The rates as set forth in Appendix B to this Order are approved for sewer service rendered on and after September 1, 2014.
3. Jessamine's request for a deviation is denied as moot.

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

By the Commission

ENTERED  
**SEP 12 2014**  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST

  
\_\_\_\_\_  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2014-00301 DATED **SEP 12 2014**

	New Rate	Base Rate
Jessamine cubic feet		
Water consumption	5,861,791	5,861,791
Volumetric rate	<u>\$ 4.65/100</u>	<u>\$ 4.56/100</u>
	\$272,573.28	\$267,297.67

Increased water cost      \$5,275.61

Increased cost      \$5,275.61

Divided by cubic feet of water sold/100      5,861,791

\$ 0.08999 per 100 cubic feet or  
\$ 0.12032 per 1,000 gallons or  
\$ 0.13 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2014-00301 DATED ~~SEP 12 2014~~

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

Monthly Sewer Rates

First	2,000 Gallons	\$20.40 Minimum Bill
Over	2,000 Gallons	10.20 per 1,000 Gallons

Bruce E Smith  
201 South Main Street  
Nicholasville, KENTUCKY 40356