

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TARIFF FILING OF JESSAMINE-SOUTH)	
ELKHORN WATER DISTRICT TO IMPLEMENT)	
CERTAIN NONRECURRING CHARGES FOR THE)	CASE NO. 2014-00377
PROVISION OF SEWER SERVICE)	

ORDER

On October 15, 2014, Jessamine-South Elkhorn Water District ("JSEWD") submitted a tariff filing to establish certain nonrecurring charges regarding the provision of sewer service to customers of JSEWD. Finding further proceedings were necessary to determine the reasonableness of the proposed charges, the Commission issued an Order on November 3, 2014, to investigate the proposed charges. The November 3, 2014 Order suspended the proposed charges for five months from the proposed November 14, 2014 effective date, up to and including April 13, 2015.

By this order, the Commission approves the establishment of the proposed nonrecurring charges as filed on April 30, 2015, except as discussed below.

JSEWD, a water district organized pursuant to KRS Chapter 74, owns and operates a water distribution system that serves approximately 2,755 customers, and a sanitary sewer system that serves approximately 614 customers in Jessamine County, Kentucky.¹ On January 21, 2015, Commission Staff issued its first request for information via electronic mail with responses due by February 4, 2015. On February 4,

¹ *Annual Report of Jessamine-South Elkhorn Water District for the Calendar Year Ending December 31, 2013.*

2015, JSEWD submitted a motion for extension of time to respond to Commission Staff's First Request for Information ("Staff's First Request") until February 27, 2015. Finding good cause existed for the extension of time to respond, the Commission granted JSEWD's motion. JSEWD's response to Commission Staff's first request for information was filed on February 27, 2015.

JSEWD's response to Item 5 of Staff's First Request indicated that a new clerical staff person had been hired at a lower salary after submission of the application to the Commission, and that JSEWD intended to amend the application to reflect the change in labor cost. On April 9, 2015, a telephone conference was held with the parties to clarify some of JSEWD's responses to Staff's First Request.² The utility filed documents on April 30, 2015, clarifying its responses to Staff's First Request and, by a separate filing on that date, revised its nonrecurring charges.

JSEWD's proposed nonrecurring charges include the pass-through to JSEWD's customers³ of the Lexington-Fayette Urban County Government's ("LFUCG") Assessment Fees⁴ approved by the Commission effective December 11, 2014. JSEWD's April 30, 2015 revised nonrecurring charges include revised cost-justification sheets reflecting the change in clerical labor expense as well as a proposed increase in

² Informal Conference Memo in Case No. 2014-00377, *Tariff Filing of Jessamine-South Elkhorn Water District to Implement Certain Nonrecurring Charges for the Provision of Sewer Service* (Ky. PSC Apr. 13, 2015).

³ Case No. 2014-00204, *Tariff Filing of Lexington-Fayette Urban County Government to Increase Sanitary Sewer Tap-On or Connection Fees Applied to Jessamine-South Elkhorn Water District* (Ky. PSC Dec. 14, 2014).

⁴ LFUCG refers to the Assessment Fees as a sanitary sewer tap-on or connection fee.

LFUCG's Assessment Fees to JSEWD to be effective July 1, 2015.⁵ The Commission will treat JSEWD's April 30, 2015 submittal as a motion to amend the application.

Having considered the evidence and being otherwise sufficiently advised, the Commission finds that:

1. The charges originally proposed by JSEWD on October 15, 2014, are not supported by the revised cost-justification sheets filed on April 30, 2015, and should be denied.

2. JSEWD's charges as revised on April 30, 2015, except for the July 1, 2015 increase in LFUCG's Assessment Fees to JSEWD, and as set forth in the Appendix to this Order, are sufficient to recover the reasonable expenses currently being incurred to provide the associated services and should be approved.

3. JSEWD's motion to amend the application to reflect its revised labor costs should be granted, but the amendment to reflect the proposed LFUCG July 1, 2015 Assessment Fee increase should be denied, since that increase is not yet in effect. JSEWD should file a new nonrecurring charge tariff using the Commission's electronic Tariff Filing System procedures to recover the proposed LFUCG increase in the nonrecurring fees.

IT IS THEREFORE ORDERED that:

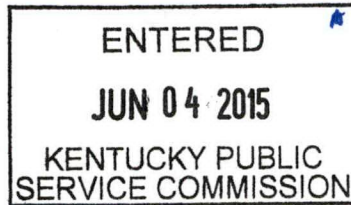
1. JSEWD's proposed rates are denied.
2. JSEWD's April 30, 2015 motion to amend the application is denied for LFUCG's proposed July 1, 2015 increase in the Assessment Fee and is granted for all other revised nonrecurring charges.

⁵ The LFUCG notice also proposes an increase in general sewer service rates. JSEWD may file an application under 807 KAR 5:075 for a treated sewage adjustment requesting to pass through to its ratepayers, LFUCG's proposed increase in general sewer service rates.


3. The rates in the Appendix to this Order are fair, just, and reasonable and are approved for services on or after the date of this Order.

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

By the Commission



ATTEST



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00377 DATED **JUN 04 2015**

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.

Nonrecurring Charges

Returned Check Service Charge	\$ 7.00
Service Line Inspection Charge	\$67.00
Service Re-connection Charge	\$35.00
Grease Trap Inspection Charge	\$73.00
Unauthorized Use of Service Investigation Charge	Actual Cost
Service Charge for Damaged Facilities	Actual Cost

Tap-on fees:

If the District performs the installation, \$2,623.00 plus the applicable assessment fee.

If the District does not perform the installation, \$76.00 plus the applicable assessment fee.

Assessment Fees

(1) Single-family residences, town homes and duplexes (per unit) occupying lots:

Of 1/4 acre or less	\$ 903.48
From 1/4 to 1/2 acre	1,677.72

From 1/2 to 3/4 acre	2,454.12
From 3/4 to 1 acre	3,357.59
Larger than 1 acre	4,261.06

(2) Apartments, condominiums, hospitals, and nursing homes:

Each efficiency unit	\$ 361.81
Each 1-bedroom unit	670.87
Each 2-bedroom unit	877.62
3- or 4-bedroom unit	1,085.45
Minimum for each building	1,806.93

(3) Motels:

Each living unit	\$ 670.87
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(4) Trailer parks:

Each trailer or space	\$ 903.48
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(5) Service stations:

Each station	\$ 5,164.53
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(6) Restaurants, business, professional, commercial and industrial buildings, including such facilities in hospitals or nursing homes:

A fee to be per square foot of floor space	\$ 1.034
Minimum fee for each urban county government sewer connection	903.48

(7) Storage areas, warehouses, and distribution centers:

A fee to be per square foot of floor space	\$ 0.215
Minimum fee for each urban county government sewer connection	903.48

(8) Swimming pools:

For the erection of each swimming pool, a fee 100 cubic feet	\$ 1.551
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(9) Non-profit school establishments:

The fee for each urban county government sewer connection, per square foot of floor space	\$ 0.516
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*Diana Clark
Office Manager
Jessamine-South Elkhorn Water District
P. O. Box 731
Nicholasville, KY 40356

*Jessamine-South Elkhorn Water District
802 S Main Street
P. O. Box 731
Nicholasville, KY 40356

*Jessamine-South Elkhorn Water District
802 S Main Street
P. O. Box 731
Nicholasville, KY 40356

*Bruce E Smith
201 South Main Street
Nicholasville, KENTUCKY 40356