COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TREATED SEWAGE ADJUSTMENT FILING OFCASE NO.JESSAMINE-SOUTH-ELKHORN WATER)2015-00226DISTRICT))

<u>ORDER</u>

On July 8, 2015, Jessamine-South Elkhorn Water District ("Jessamine") applied for approval to adjust its rates pursuant to the treated sewage adjustment procedure.¹ This filing was found to be deficient. On July 28, 2015, Jessamine filed information that cured the deficiencies, and the application was accepted as filed as of that date.

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, 2015, LFUCG increased its wholesale sewage treatment rate to Jessamine from \$4.65 per 100 cubic feet to \$5.21 per 100 cubic feet.² Jessamine proposes to increase the sewage rates by \$0.75 per 1,000 gallons to its customers effective August 2, 2015.

¹ KRS 278.015; 807 KAR 5:075.

² TFS 2015-00240 (Ky. PSC filed Apr. 14, 2015); The tariff was accepted for filing by the Commission by letter dated July 1, 2015.

3. During the 12 months ending June 30, 2015, Jessamine sewer customers reported 6,178,390 cubic feet of water consumption (46,214,357 gallons). The increase in the cost of treated sewage is 34,598.98, resulting in a treated sewage adjustment factor of 0.75 per 1,000 gallons.³

4. The treated sewage adjustment factor of \$0.75 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, 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 August 2, 2015.

IT IS THEREFORE ORDERED that:

1. The treated sewage adjustment factor of \$0.75 per 1,000 gallons is approved.

2. Jessamine's proposed rates are approved for sewer service rendered on and after August 2, 2015.

3. 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.

³ Jessamine's rates are calculated in per 1,000 gallons, converting the cubic feet treated sewage factor as follow: \$0.56 per 100 cubic feet/.748 converts to \$0.75 per 1,000 gallons.

By the Commission		
ENTERED		
AUG 1 0 2015		
KENTUCKY PUBLIC SERVICE COMMISSION		

ATTES Executive Director

Case No. 2015-00226

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2015-00226 DATED AUG 1 0 2015

Jessamine cubic feet	New Rate	Base Rate
Water consumption LFUCG Volumetric rate	6,178,390.10 <u>\$5.21/100</u> \$321,894.12	6,178,390.10 \$ <u>4.65/100</u> \$287,295.14

Increased sewage treatment cost

\$34,598.98

Increased cost Divided by cubic feet of water sold/100 \$34,598.98 <u>6,178,390.10</u> \$0.56 per 100 cubic feet or \$0.74866 per 1,000 gallons or \$0.75 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2015-00226 DATED AUG 1 0 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.

Monthly Sewer Rates

First 2,000 Gallons Over 2,000 Gallons

\$21.90 Minimum Bill \$10.95 per 1,000 Gallons *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