

Jessamine Water District No. 1
2225 Lexington Road
Nicholasville, KY 40356

RECEIVED

FEB 13 2017

Public Service
Commission

February 6, 2017
Kentucky Public Service Commission
Tariff Division
P.O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

Re: PWA increase of wholesale rates from supplier

Case No. 2017-00073

Attached is a request of a Purchase Water Adjustment of Jessamine County Water District No.1. We received notice of an increase per 1000 gal of water and master meter service charges from the City of Nicholasville, due to an increase in wholesale prices from Kentucky American Water. Enclosed are the new rates that are being charged by KY American and the proposed new rate from Jessamine County Water District No.1.



Sincerely,

Carl Waits

Chairman

Public Notice

Due to a rate increase from wholesaler Kentucky American Water, notice is hereby given that Jessamine County Water District No.1 has filed an application for a Purchased Water Adjustment with the Kentucky Public Service Commission for the purpose of adjusting its water rate. Customer rates will increase .04 cents per 1000 gallons used. The purposed change will be effective for service rendered on or after **March 16, 2017.**

		<u>Current</u>		<u>Change</u>	<u>% Change</u>
<u>5/8"x3/4" Meter</u>					
First	3000 Gallons	\$28.00	Minimum Bill	\$28.12	+0.43%
Next	7000 Gallons	6.60	per 1000 gals.	6.64	+0.6%
All over	10,000 Gallons	6.38	per 1000 gals.	6.42	+1.9%
<u>1" Meter</u>					
First	5000 Gallons	\$41.20	Minimum Bill	\$41.40	+0.48%
Next	5000 Gallons	6.60	per 1000 gals.	6.64	+0.6%
All over	10,000 Gallons	6.38	per 1000 gals.	6.42	+0.6%
<u>1-1/2 Meter</u>					
First	10,000 Gallons	\$74.20	Minimum Bill	\$74.60	+0.54%
All over	10,000 Gallons	6.38	per 1000 gals.	6.42	+0.6%
<u>2" Meter</u>					
First	20,000 Gallons	\$138.00	Minimum Bill	\$138.80	+0.58%
All over	20,000 Gallons	6.38	per 1000 gals.	6.42	+0.6%

The monthly bill of a customer using an average of 5000 gallons per month will increase \$.20 from \$41.20 to \$41.40 or +0.5%.

The rates contained in this notice are rates proposed by Jessamine Co. Water District No.1. However, the Public Service Commission may order rates to be charged that differ from these proposed fees. Such action may result in rates for consumers other than rates in this notice.

Any corporation, association, body politic, or person may by motion within thirty (30) days after publication of this notice request leave to intervene. Motion to intervene shall be submitted to the Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, KY 40602. The motion must set forth the grounds for the request including the status and interest of the party.

Interveners may obtain copies of the application and testimony by contacting the applicant at: Jessamine County Water District No.1, 2225 Lexington Road, Nicholasville, KY 40356.

This notice is published pursuant to 807 KAR 5:011- Tariffs.

PURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND WATER ASSOCIATIONS
(807 KAR 5:068)

RECEIVED

FEB 13 2017

Public Service
Commission

Name of Utility	Jesamine County Water District No. 1		
Date	February 2, 2017		
Address	2225 Lexington Road		
City, State, Zip	Nicholasville KY	40356	
Telephone Number	859-885-9314		
Email Address	carl.waits@twc.com		
1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.			
Supplier(s)	Base Rate	Changed Rate	
Nicholasville @ Brannon Crossing	\$4.2093 per 1000 gals.	\$4.3255 per 1000 gals.	
Service charges @ Brannon Crossing	Master meter 1 1/2" \$ 62.45 & meter 6" \$624.50	Master Meter 1 1/2" \$ 68.17 & Meter 6" \$681.50	
City of Nicholasville	No change	No change	
1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit			
2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).			
From	2/2016	through	1/2017
	(month and year)		(month and year)
3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.			

Supplier(s)	Gallons Purchased during 12 month period
See attached sheet	
Brannon area	48,543,232
Rest of District	182,382,368
TOTAL PURCHASES	230,925,600
4. Total gallons sold for the 12 month period	
	189,035,172
5. Increased water cost	
	Water \$5640.00 Meter \$1505.28
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation is attached as Exhibit	
6. Purchased water adjustment factor	
	.0378 or \$.04 per 1000
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice.	
7. A schedule listing the current and proposed rates is attached as Exhibit	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit	
9. Proposed effective date	
	3/16/2017
/s/ Carl Waits	
Signature of Utility Officer	
Chairman	
Title	

Jessamine Water District No.1

12 month water usage

<u>Gallons Bought</u>	<u>District</u>	<u>Brannon Rd</u>	<u>Brannon Cr.</u>	<u>Total</u>	<u>Gallons</u>	<u>Sold</u>	<u>District</u>	<u>Brannon RD</u>	<u>Brannon Cr.</u>	<u>Total</u>
2016		area	area			2016		area	area	
Feb	18,660,646	516,000	1,946,296	2,462,296	Feb	13,499,610	451,960	1,903,630	2,355,590	
Mar	17,106,260	478,000	2,333,760	2,811,760	Mar	12,661,122	417,040	2,039,400	2,456,440	
April	16,245,820	545,000	2,292,620	2,837,620	April	13,164,640	476,760	1,974,190	2,450,950	
May	17,963,330	698,000	2,475,880	3,173,880	May	14,502,920	620,830	2,209,840	2,830,670	
June	18,004,448	907,000	2,861,848	3,768,848	June	16,292,520	795,180	2,594,880	3,390,060	
Jul	22,735,170	1,092,950	3,803,580	4,896,530	Jul	18,255,680	956,250	2,835,560	3,791,810	
Aug	21,486,254		2,564,144	2,564,144	Aug	18,656,420		3,901,080	3,901,080	
Sept	22,786,672		7,864,472	7,864,472	Sept	20,146,260		5,148,290	5,148,290	
Oct.	20,923,000		5,595,040	5,595,040	Oct	16,954,000		4,754,163	4,754,163	
Nov	20,511,000		4,920,344	4,920,344	Nov	17,330,000		4,213,630	4,213,630	
Dec	16,591,000		4,163,366	4,163,366	Dec	13,869,000		3,128,780	3,128,780	
2017					2017					
Jan	17,912,000		3,484,932	3,484,932	Jan	13,703,000		2,936,930	2,936,930	
	230,925,600					189,035,172				
		4,236,950	44,306,282	48,543,232			3,718,020	37,640,373	41,358,393	

Re: Purchase Water Adjustment

Calculations

1. Base rate of water purchases in Brannon Rd area per 1000 gallons \$4.2093

Changed rate effective 8-28-2016 per 1000 gallons \$4.3255

Increased amount per 1000 gallons \$0.1162

Purchases in the past 12 months in the Brannon Crossing area now served 44,306,282 gallons

X \$0.1162

Increased cost of the water purchased in the Brannon Rd area per 1000 gallons \$5140.00

2. Service charge Base rate at Brannon Rd. area 6" meter \$624.50 & 1 1/2 " meter \$62.45

Service charge Changed rate 6" meter \$681.50 & 1 1/2 " meter \$68.17

Increased amount charged monthly 6" meter \$57.00 & 1 1/2 " meter \$5.72

Total meter increases \$62.72 times 2 sets of meters = \$125.44 times 12 months = \$ 1505.28

3. Increased water cost for the year

Water \$5640.00

Service charges \$1505.28

Total increase \$7145.28

4. Purchase water adjustment factor

Total water sold District wide Feb 2016 through Jan 2017 189,035,172

Divided into the total amount of the increase \$7145.28

Is equal to the factor of \$0.0378 or \$0.04 a 1000 gallons of water



CLASSIFICATION OF SERVICE
SERVICE CLASSIFICATION NO. 1

Applicable

Applicable to the entire Service Territory of Kentucky-American Water Company.

Availability of Service

Available for Residential, Commercial, Industrial, Sales for Resale, Municipal and All Other Public Authority metered service.

Meter Rates

The following shall be the rates for consumption, in addition to the service charges provided for herein;

Customer Category	Rate Per 1,000 Gallons		Rate Per 100 Gallons		Rate Per 100 Cubic Feet	(D)
	<u>All consumption</u>		<u>All Consumption</u>		<u>All Consumption</u>	(D)
Residential	\$6.0190	(I)	\$0.6019	(I)	\$3.9647	(D)
Commercial	5.0952	(I)	0.5095	(I)	3.6113	(D)
Industrial	4.3087	(I)	0.4309	(I)	2.9132	(D)
Municipal & Other Public Authority	4.6034	(I)	0.4603	(I)	3.1754	(D)
Sales for Resale	4.3255	(I)	0.4326	(I)	3.1486	(D)

Service Charges

All metered general water service customers shall pay a service charge based on the size of meter installed. The service charge will not entitle the customer to any water.

Size of Meter	Residential Service Charge Per Month	(N)	All Other Classes Service Charge Per Month	(N)
5/8"	\$12.49		\$ 13.63	(I)
3/4"	18.74		20.46	(I)
1"	31.23		34.07	(I)
1-1/2"	62.45		68.17	(I)
2"	99.92		109.04	(I)
3"	187.35		204.47	(I)
4"	312.25		340.77	(I)
6"	624.50		681.50	(I)
8"	999.20		1,090.40	(I)

- (N) Indicates New Rate or Requirement
- (I) Indicates Increase
- (D) Indicates Deletion (removal of a rate per 100 Cubic Feet)

ISSUED: July 6, 2016
EFFECTIVE: August 28, 2016

ISSUED BY: /s/ Nick O. Rowe
 Nick O. Rowe, President
 2300 Richmond Road, Lexington, KY 40502

NOTICE

Kentucky-American Water Company ("Kentucky American Water") expects to file on January 29, 2016 an application with the Kentucky Public Service Commission to increase the water service revenues by approximately 15.2%. The proposed annual revenue increases by customer classification are: Residential - \$8,324,451 (17.5%); Commercial - \$2,756,667 (13.0%); Industrial - \$557,063 (21.9%); Other Public Authority - \$1,047,117 (17.7%); Sales for Resale - \$111,947 (6.3%); Private Fire Service and Hydrants - \$80,739 (3.0%); Public Fire Hydrants - \$575,462 (15.4%). The proposed effective date of the rates is for service rendered on and after February 28, 2016. Kentucky American Water has requested the proposed rates be implemented to all customer classifications as shown below:

Proposed Rate Increase (Effective for service rendered on and after February 28, 2016):

Monthly Service Charge by Meter Size

(applicable to all

<u>customer classifications</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>\$ Change</u>	<u>% Change</u>
5/8"	\$12.49	\$14.85	\$2.36	19% Increase
3/4"	18.74	22.30	3.56	19% Increase
1"	31.23	37.10	5.87	19% Increase
1-1/2"	62.45	74.30	11.85	19% Increase
2"	99.92	118.80	18.88	19% Increase
3"	187.35	222.80	35.45	19% Increase
4"	312.25	371.30	59.05	19% Increase
6"	624.50	742.50	118.00	19% Increase
8"	999.20	1,188.00	188.80	19% Increase

Consumption Charges:

	<u>Current Rate</u>		<u>Proposed Rate</u>		<u>\$ Change</u>		<u>% Change</u>
	<u>Per 1000 Gallons</u>	<u>Per 100 Gallons</u>	<u>Per 1000 Gallons</u>	<u>Per 100 Gallons</u>	<u>Per 1000 Gallons</u>	<u>Per 100 Gallons</u>	
Residential	\$5.30040	\$0.5300	\$6.1820	\$0.6182	\$0.88	\$0.088	17% Increase
Commercial	4.82800	0.4828	5.3840	0.5384	0.56	0.056	12% Increase
Industrial	3.89470	0.3895	4.7550	0.4755	0.86	0.086	22% Increase
Other Public Authority	4.24520	0.4245	4.9900	0.4990	0.74	0.0745	18% Increase
Sales for Resale	4.20930	0.4209	4.4510	0.4451	0.24	0.024	6% Increase

Fire Protection:

<u>Private Fire Line Size</u>	<u>Current Rate Per Month</u>	<u>Proposed Rate Per Month</u>	<u>\$ Change</u>	<u>% Change</u>
2"	\$8.92	\$9.37	\$0.45	5% Increase
4"	35.90	37.70	1.80	5% Increase
6"	80.74	84.78	4.04	5% Increase
8"	143.54	150.72	7.18	5% Increase
10"	224.34	235.56	11.22	5% Increase
12"	323.50	339.68	16.18	5% Increase
14"	439.89	461.88	21.99	5% Increase
16"	574.42	603.14	28.72	5% Increase
Private Fire Hydrant	79.77	79.77	0.00	0% Increase
Public Fire Hydrant	41.60	48.00	6.40	15% Increase

Average Monthly Bills:

	<u>Average Monthly Usage</u>	<u>Current Average Bill</u>	<u>Proposed Average Bill</u>	<u>\$ Change</u>	<u>% Change</u>
Residential	4,130 gallons	\$34.38	\$40.38	\$6.00	17% Increase
Commercial	34,593 gallons	\$179.51	\$201.10	\$21.59	12% Increase

	<u>Average Monthly Usage</u>	<u>Current Average Bill</u>	<u>Proposed Average Bill</u>	<u>\$ Change</u>	<u>% Change</u>
Industrial	1,981,715 gallons	\$7,818.05	\$9,541.85	\$1,723.80	22% Increase
Other Public Authority	195,885 gallons	\$931.49	\$1,096.27	\$164.78	18% Increase
Sales for Resale	2,402,950 gallons	\$10,214.66	\$10,814.33	\$599.67	6% Increase
Private Fire Hydrant	N/A	\$79.77	\$79.77	\$0.00	0% Increase
Public Fire Hydrant	N/A	\$41.60	\$48.00	\$6.40	15% Increase
Private Fire Line	N/A	\$78.66	\$82.59	\$3.94	5% Increase

Tap Fees:

Meter Size

(applicable to all

customer classifications)

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>\$ Change</u>	<u>% Change</u>
5/8"	\$1,078.00	\$1,280.00	\$202.00	19% Increase
1"	1,576.00	2,201.00	625.00	39% Increase
2"	3,563.00	4,238.00	675.00	19% Increase

Kentucky American Water has also proposed additions to its tariff to include a Qualified Infrastructure Program surcharge that would be applied to Residential, Commercial, Industrial, Other Public Authority, Sales for Resale, and Private Fire Service classifications for infrastructure replacement investments. This surcharge would be calculated annually based on actual replacement costs, and applied to each customer's monthly bill. The surcharge would then be updated annually until the next rate case, at which time the investment costs would be incorporated into rates and the surcharge reset at zero.

Kentucky American Water has also proposed revisions to eliminate portions of its tariff that were charges and terms for former Tri-Village Water District and Elk Lake Shores Subdivision customers. These charges and terms have not been utilized in recent years because all customers are subject to the charges and terms applicable to all water customers as set forth in the tariff.

This application may be examined at the offices of Kentucky American Water located at 2300 Richmond Road in Lexington, Kentucky.

This application 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's website at <http://psc.ky.gov>.

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

The rates contained in this notice are the rates proposed by Kentucky American Water but the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, which establishes the grounds for the request including the status and interest of the party.

If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the providing of this notice, the Public Service Commission may take final action on the application.

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
JESSAMINE COUNTY WATER DISTRICT NO.1 ADJUSTING
WATER RATES AND CHARGES TO OFFSET KENTUCKY
AMERICAN WATER COMPANY WHOLESALE RATE INCREASE**

WHEREAS, the Kentucky American Water Company (“Kentucky American”) is one of Jessamine Water District No.1’s (“District”) wholesale water providers;

WHEREAS, on August 28th, 2016, Kentucky American Water Company increased its wholesale water rate from \$4.2093 to \$4.3255 per 1,000 gallons and increased master meter monthly fees from \$62.45 to \$68.17 for a 1 1/2” meter and from \$624.50 to \$681.50 for a 6” meter ;

WHEREAS, based upon the water purchases from the area now served by Kentucky American Water during the previous 12 months, the annual increased cost to the District will be approximately \$ 7,145.28 ;

WHEREAS, prudent financial management dictates that the District take immediate action to adjust its retail rates commensurate with Kentucky American’s wholesale rate increase; and

WHEREAS, KRS 278.012 and 807 KAR 5:068 provide the legal mechanism for the District to increase its water rates commensurate with Kentucky American’s wholesale rate increase via a Purchased Water Adjustment (“PWA”);

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF JESSAMINE COUNTY WATER DISTRICT NO.1 AS FOLLOWS:

Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. The PWA factor is \$ 0.04 per 1,000 gallons;

Section 3. All tiers of all meter sizes of the District’s existing tariff shall be increased by \$ 0.04 per 1,000 gallons, effective March 16th 2017, subject to any minor adjustment that may be made by the PSC.

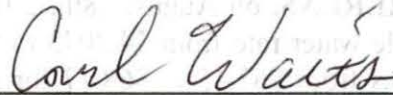
Section 4. The monthly water rates to be charged to and collected from the customers and users of the water system (the “System”) of the District shall be as set forth in **Public Notice**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. These monthly rates and charges shall be in effect for all water service rendered on and after March 16th 2017.

Section 5. The Chairman is hereby authorized and directed to execute and file the PWA Application, Tariff Sheet, and all other documents that may be required by the Public Service Commission.

Section 6. The Chairman, all appropriate District Staff, and the District's attorney are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to implement the PWA.

Section 7. This Resolution shall take effect upon its adoption.

ADOPTED BY THE BOARD OF COMMISSIONERS OF JESSAMINE COUNTY WATER DISTRICT NO.1 at a meeting held on February 2, 2017, signed by the Chairman, and attested by the Secretary.



Chairman

ATTEST:



Secretary