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NOV 13 2017

PUBLIC SERVICE
COMMISSION

Knox County Utility Commission

P.O. Box 1630

Barbourville, KY 40906

(606) 546-5300

November 8, 2017

Ms. Gwen R. Pinson
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

Re: Treated Sewage Adjustment

Dear Ms. Pinson:

In accordance with the Barbourville Utility Commission's Notice and its Tariff approved by the PSC on November 1, 2017, Barbourville increased its wholesale rate to Knox County Utility Commission by \$3.41 per 1,000 gallons. KCUC intends to pass this increase through to our retail customers in accordance with 807 KAR 5:075. This retail rate adjustment will be in effect for bills delivered to customers on or after January 1, 2018.

The original and 10 copies of the following documentation is enclosed in support of this application:

- Treated Sewage Adjustment Form 1
- Exhibit A - Notice of Changed Rate
- Exhibit B - Treated Sewage Adjustment Worksheet
- Exhibit C - Schedule of Current and Proposed Rates
- Exhibit D - KCUC Resolution authorizing proposed rates

KCUC will mail a notice to its customers and provide verification that such notice has been given in accordance with regulations.

Please contact me if you need additional information.

Sincerely,



Michelle Stewart
Office Manager

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**TREATED SEWAGE ADJUSTMENT
FOR SEWER UTILITIES
(807 KAR 5:075)**

NOV 13 2017**PUBLIC SERVICE
COMMISSION**

Name of Utility	Knox County Utility Commission	
Date	November 8, 2017	
Address	PO Box 1630	
City, State, Zip	Barbourville, KY	40906
Telephone Number	(606)546-5300	
Email address	knoxcountility@aol.com	

1.a. Name of all providers and the base (current) rate and changed rate of each. In the event the utility is billed by the provider on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

Provider(s)	Base Rate	Changed Rate
Barbourville Utility Commission	\$2.55/1,000 gals	\$5.96/1,000 gals

1.b. A copy of the provider's notice of the changed rate showing the effective date of the increase is attached as Exhibit A.

2. Twelve-month period upon which the treated sewage adjustment is based. (This twelve-month period must end within 90 days of this filing).

From	November 2016	through	October 2017
	(month and year)		(month and year)

3. Statement of sewage treated. Where sewage treatment is from more than one provider, sewage treatment from each provider must be shown separately. When water purchases are the basis for sewage treatment charges and the water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach additional sheets if necessary.

Provider(s)	Gallons of Sewage Treated during 12 month period
Barbourville Utility Commission	4,713,600
TOTAL	4,713,600 **

4. Total gallons of water sold for the 12 month period

4,713,600 **

** Wholesale charges are based on retail water meter readings.

5. Increased cost

\$16,073.38

The increased cost is the difference between the gallons of treated sewage at the base (current rate) and at the new rate. The calculation and all supporting documents used to determine the change in treated sewage costs sufficient to determine the accuracy of the calculation is attached as Exhibit B.

When water usage is the basis for the utility's sewage treatment charge, the treated sewage adjustment shall be calculated as a per 1,000 gallon factor.

6. Treated sewage adjustment factor per 1,000 gallons*

\$3.41

*The treated sewage adjustment factor is obtained by dividing the increased cost of the sewage treatment by the total gallons of water sold. (Number 5 ÷ (Number 4 ÷ 1,000))

Note: The treated sewage adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the treated sewage adjustment factor would be added to the minimum bill twice.

When the utility has a flat monthly rate the treated sewage adjustment factor shall be calculated as a flat monthly amount to be added to the current rate.

7. Number of customers or Residential Equivalents

8. Treated sewage adjustment (amount to be added to current monthly bill)**

N/A

**The treated sewage adjustment factor is obtained by dividing the increased cost by the number of customers or residential equivalents and then by 12 months.
(Number 5 ÷ (Number 7 ÷ 12).

9. A schedule listing the current and proposed rates is attached as Exhibit C.

10. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit D.

11. Proposed effective date

January 1, 2018


Signature of Utility Officer

Office Manager
Title

EXHIBIT A

NOTICE:

The Barbourville Utility Commission is providing notice that it plans to file with the Public Service Commission on or before October 1, 2017, to increase its wholesale sewer rates to Knox County Utility District effective for service rendered on and after November 1, 2017. The proposed rates are as follows:

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>\$ Difference</u>	<u>% Difference</u>
Minimum Bill (No usage)	N/A	\$16.73	\$16.73	N/A
Volumetric Rate (per 1,000 gallons)	\$2.55	\$5.96	\$3.41	133.7% Increase

This filing may be examined at 202 Daniel Boone Drive in Barbourville, Kentucky 40906.

The filing 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 PSC website at <http://psc.ky.gov>.

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

The proposed rates are the rates proposed by the Barbourville Utility Commission in its filing but the Public Service Commission may order rates that differ from the proposed rates.

Intervention may be requested by submitting a timely written request for intervention by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602. The request for intervention must establish 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 filing.

EXHIBIT B

TREATED SEWAGE ADJUSTMENT WORKSHEET Knox County Utility Commission

<u>Month</u> <u>2016/2017</u>	<u>Customer Water</u> <u>Usage Equals</u> <u>Treated</u> <u>Sewage Billed</u>
Nov	362,300
Dec	247,300
Jan	258,100
Feb	280,700
Mar	182,400
Apr	178,100
May	193,000
Jun	229,300
Jul	699,200
Aug	966,700
Sep	522,700
Oct	593,800
Annual Total	4,713,600
New Sewage Treatment Rate	\$5.96
Old Sewage Treatment Rate	<u>2.55</u>
Change in Rate	\$3.41
Total Change in Treatment Cost	\$16,073.38
TSA Factor per 1,000 gals:	
$\$13,955.08 / 4,092.4 =$	<u>\$3.41</u>

EXHIBIT C

SCHEDULE OF CURRENT AND PROPOSED SEWER RATES Knox County Utility Commission

Current Monthly Sewer Rate: \$6.25 per 1,000 of Water

Proposed Monthly Sewer Rate: \$9.66 per 1,000 of Water

**A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE KNOX COUNTY UTILITY COMMISSION
PROPOSING ADJUSTMENTS TO ITS SEWER RATES AND
AUTHORIZING ITS OFFICE MANAGER TO FILE AN
APPLICATION WITH THE PSC SEEKING APPROVAL OF
THE PROPOSED RATE ADJUSTMENT**

WHEREAS, the Knox County Utility Commission (“Commission”) is a water district created and organized under the provisions of KRS Chapter 74. The Commission is subject to the jurisdiction of the Kentucky Public Service Commission (“PSC”);

WHEREAS, prudent financial management dictates that the Commission take appropriate action to adjust its sewer rates and charges; and

WHEREAS, KRS 278.180 and 807 KAR 5:075 provide the legal mechanism for the Commission to propose adjustments to its sewer rates and charges;

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF KNOX COUNTY UTILITY COMMISSION 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 Commission proposes to adjust its monthly sewer rates and charges as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The proposed rates and charges set forth in **Appendix A** are subject to any minor adjustments that may be made by the PSC. The proposed rate adjustment shall not become effective until PSC approval has been obtained.

Section 3. The Office Manager is hereby authorized and directed to prepare, execute, and file with the PSC, by utilizing the Treated Sewage Adjustment Procedure for Sewer Utilities set forth in 807 KAR 5:075, an Application, Tariff Sheets, and all other documents that may be required by the PSC.

Section 4. The Chairman, Office Manager, and all other appropriate Commission staff 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 this Resolution.

Section 5. This Resolution shall take effect upon its adoption.

ADOPTED BY THE COMMISSION OF KNOX COUNTY UTILITY

COMMISSION at a meeting held on October 3, 2017, signed by the Chairman,
and attested by the Secretary.

ATTEST:

 10/3/17

CHAIRMAN



SECRETARY

CERTIFICATION

I, Secretary of the Knox County Utility Commission (the "Commission"), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Commission at a meeting properly held on October 3, 2017, signed by the Chairman of the Commission, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 3rd day of October, 2017.



SECRETARY