

BRUCE E. SMITH LAW OFFICES, PLLC

201 SOUTH MAIN STREET

NICHOLASVILLE, KENTUCKY 40356

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BRUCE E. SMITH
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July 15, 2019

Ms. Gwen R. Pinson
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40601

Case No. 2019-00255

Submitted Electronically: <https://psc.ky.gov>

Re: Jessamine-South Elkhorn Water District (“District”)
P.O. Box 731, Nicholasville, KY 40340-0731
Nonrecurring Sanitary Sewer Charges Tariff Filing – 807 KAR 5:011 §10

Dear Executive Director Pinson,

This is an application to pass through an increase in certain nonrecurring charges – tap-on fees – for the Jessamine-South Elkhorn Water District’s Sewer Service Tariff. A corresponding increase in Lexington Fayette Urban County Government’s (“LFUCG”) tap-on fees brought about the need for the District’s proposed increases. These charges will apply to all of the District’s future sanitary sewer customers.

Enclosed please find: 1) proposed tariff sheets; 2) LFUCG’s notice of increase; 3) notice to customers, which the undersigned avers was mailed out to all sewer customers by District staff this same July 15, 2019; and 4) a letter to the Attorney General evidencing electronic transmission of this filing to that office at that office at that office at rateintervention@Ky.gov.

The District has previously filed income statements and balance sheets with the Commission that are currently on file in your office.

My client is not requesting a rate increase at this time. However, increased costs attributable to the subject nonrecurring charges increase cannot be financially absorbed by the District. The additional revenue generated by the proposed nonrecurring charges will not exceed five (5%) percent of the total revenues provided by all nonrecurring charges for the recent twelve month period.

JSEWD is requesting that the statutory notice period be waived, and that it be permitted to immediately begin implementing the new tap-on fees. JSEWD received notice from LFUCG dated June 10th. At this time, the next Board of Commissioners meeting to ratify a pass-through application was July 3rd. Even after that July 3rd meeting and ratification, statutory notice under KRS

§ 278.180 requires JSEWD to apply and wait 30 days before being able to increase its rates, while LFUCG's rates will take effect on July 15th. JSEWD submits that rather than JSEWD independently increasing a rate, this tap-on increase request is more akin to a treated sewage adjustment, which 807 KAR 5:075 permits to be passed through immediately, with subsequent notice only to customers. Thus JSEWD asks that the statutory notice period be waived altogether and that JSEWD not be caused to pay new customers' tap-on fees—by virtue of waiting for Board approval of this application, or, in the alternative, that the notice period be shortened to 20 days (as permitted for cause, pursuant to the same KRS 278.180).

Sincerely,

/s/ Henry E. Smith

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July 15, 2019

Hon. Andy Beshear
Kentucky Attorney General's Office of Rate Intervention
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601-8204
Via Email: rateintervention@ky.gov

Re: Jessamine-South Elkhorn Water District ("District")
Nonrecurring Sanitary Sewer Charges Tariff Filing

Dear Sir:

Pursuant to 807 KAR 5:011. Tariffs, Section 10 (4), a copy of my client's filing with the Kentucky Public Service Commission is transmitted herewith along with the cover letter to the Kentucky Public Service Commission.

Sincerely,

/s/ Henry E. Smith

Enclosure(s)

g:\...\JSEWD\Sanitation\LFUCG 2019 Pass Thru\tap-on\AG ltr

NOTICE

Jessamine-South Elkhorn Water District will file with the Public Service Commission on or prior to July 19, 2019 to pass on an increase in its sewer tap-on fees due solely to an increase by the Lexington-Fayette Urban County Government. These revised charges will apply to all future sanitary sewer customers of the District who apply for a sewer tap-on permit. **These revised charges will not apply to current sanitary sewer customers.** The proposed effective date of the new charges is July 15, 2019. Current and proposed rates are as follows:

NON-RECURRING CHARGES: SEWER TAP-ON FEES

If the District performs the installation, the fee will be \$2,632.00 plus applicable amount(s) shown in tables below.

If the District does not perform the installation, the fee will be \$76.00 plus applicable amount(s) shown in tables below.

	<u>Existing</u>	<u>Proposed</u>	<u>\$ Increase</u>	<u>% Increase</u>
(1) Single-family residences, townhomes, and duplexes (per unit) occupying lots:				
Of ¼ acre or less	\$1,186.78	\$1,246.12	\$59.34	5%
From ¼ acre to ½ acre	\$2,203.80	\$2,313.99	\$110.19	5%
From ½ acre to ¾ acre	\$3,223.64	\$3,384.82	\$161.18	5%
From ¾ acre to 1 acre	\$4,410.42	\$4,630.94	\$220.52	5%
Larger than 1 acre	\$5,597.19	\$5,877.05	\$279.86	5%
(2) Apartments, condominiums, hospitals, and nursing homes:				
Each efficiency unit	\$ 475.26	\$ 499.02	\$23.76	5%
Each 1-bedroom unit	\$ 881.22	\$ 925.28	\$44.06	5%
Each 2-bedroom unit	\$1,152.81	\$1,210.45	\$57.64	5%
Each 3- or 4-bedroom unit	\$1,425.80	\$1,497.09	\$71.29	5%
Minimum for each building	\$2,373.52	\$2,492.20	\$118.68	5%
(3) Motels:				
Each living unit	\$881.22	\$925.28	\$44.06	5%
(4) Trailer parks:				
Each trailer or space	\$1,186.78	\$1,246.12	\$59.34	5%
(5) Service stations:				
Each Station	\$6,783.94	\$7,123.14	\$339.20	5%
(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	\$1.359	\$1.427	\$0.068	5%
Minimum fee for each sewer connection	\$1,186.78	\$1,246.12	\$59.34	5%
(7) Storage areas, warehouses, and distribution centers:				
A fee to be per square foot of floor space	\$0.283	\$0.297	\$0.014	5%
Minimum fee for each sewer connection	\$1,186.78	\$1,246.12	\$59.34	5%
(8) Swimming pools:				
For the erection of each swimming pool, a fee per 100 cubic feet	\$2.037	\$2.139	\$0.102	5%
(9) Non-profit school establishments:				
The fee for each sewer connection per square foot of floor space:	\$0.677	\$0.711	\$0.034	5%

This filing may be examined at the District office located at 802 South Main Street in Nicholasville; or at the offices of the Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky, (M-F 8:00am to 4:30pm); telephone (502) 564-3940; or on its website at <http://psc.ky.gov>. The rates contained in this notice are the rates proposed by the District but the PSC may order rates to be charged that differ from the proposed rates contained in this notice. Any person may submit comments regarding this tariff filing by mail at: Public Service Commission, Post Office Box 615, Frankfort, KY 40602; or through its website at <http://psc.ky.gov>. Any person may submit a timely written request for intervention by mail at: Public Service Commission, Post Office Box 615, Frankfort, KY 40602. The request for intervention must establish the grounds for the request including the status and interest of the party. If the PSC does not receive a written request for intervention within thirty (30) days of the initial mailing of notice, the PSC may take final action on the tariff filing.


The revised charges will not apply to current sanitary sewer customers.

Jessamine-South Elkhorn Water District (Sewer Division)

PROOF OF NOTICE AFFIDAVIT

Comes the affiant and after first being duly sworn, states that she is an office staff member for the Jessamine-South Elkhorn Water/Sewer District; that she is duly authorized to make this Affidavit; that she mailed the attached Notice to all of the District's sewer customers on July 15, 2019 by U.S. Mail-First Class, postage prepaid.

Further the Affiant Sayeth Naught.



KIM MILLER

COMMONWEALTH OF KENTUCKY
COUNTY OF JESSAMINE, SCT

Subscribed, sworn to and acknowledged before me by Kim Miller as office staff for and on behalf of the Jessamine-South Elkhorn Water Sewer District, on July 15, 2019.

My Commission expires: 12/19/21.



NOTARY PUBLIC - KY 592248
NO.

MAYOR LINDA GORTON



LEXINGTON

CHARLES H. MARTIN, P.E.
DIRECTOR
WATER QUALITY

June 10, 2019

L. Nicholas Strong, Chairman
Jessamine-South Elkhorn Water District
802 South Main Street
Nicholasville, KY 40356

Re: Sewer Rate Increase
LFUCG/JSEWD North Jessamine Sewer Service Area

Dear Mr. Strong:

Please find enclosed a copy of the Notice and Tariff sheet for Lexington-Fayette Urban County Government's (LFUCG) requested sanitary sewer rate increase to the monthly sewer user fee applied to Jessamine-South Elkhorn Water District (JSEWD) customers receiving service from LFUCG. In accordance with paragraph 14 of the Master Agreement between LFUCG and JSEWD, the requested rates are identical to those applied to LFUCG customers.

If you have any questions, please contact me at (859) 425-2455.

Sincerely,



Charles H. Martin, P.E., Director
chmartin@lexingtonky.gov
Division of Water Quality



NOTICE

Lexington Fayette Urban County Government ("LFUCG") is providing notice that it has filed documents with the Public Service Commission to increase the sewage treatment fee and the following sewer tap-on or connection fees it charges Jessamine-South Elkhorn Water District effective for sewage treatment and sewer tap-ons or connections provided on and after July 15, 2019. The proposed rates are as follows:

	<u>Current Rate</u>	<u>New Rate</u>	<u>\$ Change</u>	<u>% Change</u>
Jessamine-South Elkhorn Water District	\$6.12 per 100 cubic feet	\$6.43 per 100 cubic feet	\$0.31 Increase	5% Increase

	<u>Current Rate</u>	<u>New Rate</u>	<u>\$ Change</u>	<u>% Change</u>
Sec. 16-60. Tap-on or connection fees.				

(a) Prior to every future tap-on or connection to any sewer pipe, main lateral, trunk line, interceptor or other installation or facility of the sanitary sewer system, there shall be paid to the director, division of revenue, a fee or charge, hereby established, which shall be solely for the privilege of connecting to the system and which shall be in addition to the requirements, as prescribed in section 16-38, that connections to the system be made at the sole expense of the connecting property owner. Such tap-on, connection or privilege fee is established and fixed as follows:

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

Of ¼ acre or less	\$1,186.78	\$1,246.12	\$59.34 Increase	5% Increase
From ¼ acre to ½ acre	\$2,203.80	\$2,313.99	\$110.19 increase	5% increase
From ½ acre to ¾ acre	\$3,223.64	\$3,384.82	\$161.18 increase	5% increase
From ¾ acre to 1 acre	\$4,410.42	\$4,630.94	\$220.52 increase	5% increase
Larger than 1 acre	\$5,597.19	\$5,877.05	\$279.86 increase	5% increase

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

Each efficiency unit	\$475.26	\$499.02	\$23.76 increase	5% increase
Each 1-bedroom unit	\$881.22	\$925.28	\$44.06 increase	5% increase
Each 2-bedroom unit	\$1,152.81	\$1,210.45	\$57.64 increase	5% increase
3-or 4-bedroom unit	\$1,425.80	\$1,497.09	\$71.29 increase	5% increase
Minimum for each building	\$2,373.52	\$2,492.20	\$118.68 increase	5% increase

(3) Motels:

Each living unit	\$881.22	\$925.28	\$44.06 increase	5% increase
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(4) Trailer parks:

Each trailer or space	\$1,186.78	\$1,246.12	\$59.34 increase	5% increase
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(5) Service stations:

Each Station	\$6,783.94	\$7,123.14	\$339.20 increase	5% increase
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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	\$1.359	\$1.427	\$0.068 increase	5% increase
Minimum fee for each urban county government sewer connection	\$1,186.78	\$1,246.12	\$59.34 increase	5% increase

	<u>Current Rate</u>	<u>New Rate</u>	<u>\$ Change</u>	<u>% Change</u>
(7) Storage areas, warehouses, and distribution centers:				
A fee to be per square foot of floor space	\$0.283	\$0.297	\$0.014 increase	5% increase
Minimum fee for each urban county government sewer connection	\$1,186.78	\$1,246.12	\$59.34 increase	5% increase
(8) Swimming pools:				
For the erection of each swimming pool, a fee per 100 cubic feet	\$2.037	\$2.139	\$0.102 increase	5% increase
(9) Non-profit school establishments:				
The fee for each urban county government sewer connection, per square foot of floor space	\$0.677	\$0.711	\$0.034 increase	5% increase

Sewer tap-ons or connections provided before the effective date will be charged at the current rate while sewer tap-ons or connections treated on and after the effective date will be charged at the new rate.

In accordance with Public Service Commission procedures, the effective date of the new rates cannot be prior to the expiration of a 30-day notice given to both the Commission and Jessamine-South Elkhorn Water District

This filing may be examined at the offices of LFUCG located at 125 Lisle Industrial Avenue, Suite 180 in Lexington, Kentucky.

This 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 KY 40602; or through its website at <http://psc.ky.gov>.

The new rates are the rates proposed by LFUCG 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, KY 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 filed application.

FOR District's Service Area
Community, Town or City

P.S.C. KY. NO. 3

2nd Revised SHEET NO. 4

Jessamine-South Elkhorn Sewer District

CANCELLING P.S.C. KY. NO. 2

Revised SHEET NO. 4

RATES & CHARGES

NON-RECURRING CHARGES: SEWER TAP-ON FEES

If the District performs the installation, the fee will be \$2,632.00 plus applicable amount(s) shown in tables below.

If the District does not perform the installation, the fee will be \$76.00 plus applicable amount(s) shown in tables below.

Single-family residences, townhomes, and duplexes (per unit) occupying lots:

Of 1/4 acre or less	\$1,246.12
From 1/4 acre to 1/2 acre	2,313.99
From 1/2 acre to 3/4 acre	3,384.82
From 3/4 acre to 1 acre	4,630.94
Larger than 1 acre	5,877.05

Apartments, condominiums, hospitals, and nursing homes:

Each efficiency unit	\$499.02
Each 1-bedroom unit	925.28
Each 2-bedroom unit	1,210.45
Each 3- or 4-bedroom unit	1,497.09
Minimum for each building	2,492.20

Motels/Hotels: Each living unit \$925.28

Trailer Parks: Each trailer or space \$1,246.12

Service Stations (stand alone or convenience store): Each station \$7,123.14

Swimming Pools: For the erection of each swimming pool a fee per
100 cubic feet (L x W x Avg Depth / 100) \$2.139



DATE OF ISSUE July 15, 2019

DATE EFFECTIVE July 15, 2019

ISSUED BY /s/ L. Nicholas Strong

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. n/a DATED n/a

FOR District's Service Area
Community, Town or City

P.S.C. KY. NO. 3

2nd Revised SHEET NO. 4

Jessamine-South Elkhorn Sewer District

CANCELLING P.S.C. KY. NO. 2

Revised SHEET NO. 4

RATES & CHARGES

NON-RECURRING CHARGES: SEWER TAP-ON FEES (CONTINUED)

Restaurants, Business, Professional, Commercial, and Industrial Buildings
including facilities in hospitals or nursing homes:

A fee to be per square foot of floor space	\$1.427
Minimum fee for each sewer connection	\$1,246.12

Storage Areas, Warehouses, and Distribution Centers:

A fee to be per square foot of floor space	\$0.297
Minimum fee for each sewer connection	\$1,246.12

Non-Profit School Establishments:

A fee to be per square foot of floor space	\$0.711
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DATE OF ISSUE July 15, 2019

DATE EFFECTIVE July 15, 2019

ISSUED BY /s/ L. Nicholas Strong

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. n/a DATED n/a