

**Knox County Utility Commission**

P.O. Box 1630  
Barbourville, KY 40906  
606-546-5300  
fax 606-546-3099

**RECEIVED**

AUG 28 2017

PUBLIC SERVICE  
COMMISSION

August 24, 2017

Mr. John Lyons  
Acting Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602-0615

Re: Treated Sewage Adjustment

Dear Mr. Lyons:

In accordance with the Tariff dated August 7, 2017, the city of 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 September 1, 2017.

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 - Tariff dated August 7, 2017
- Exhibit B - Treated Sewage Adjustment Worksheet
- Exhibit C - Schedule of Current and Proposed Rates
- Exhibit D - KCUC Authorization of 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

**RECEIVED**

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

AUG 28 2017

PUBLIC SERVICE  
COMMISSION

Name of Utility	Knox County Utility Commission	
Date	August 24, 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	August 2016	through	July 2017
	(month and year)		(month and year)

<p>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.</p>	
Provider(s)	Gallons of Sewage Treated during 12 month period
Barbourville Utility Commission	4,092,400
TOTAL	4,092,400 **
<p>4. Total gallons of water sold for the 12 month period</p>	
	4,092,400 **
<p>** Wholesale charges are based on retail water meter readings.</p>	
<p>5. Increased cost</p>	
	\$13,955.08
<p>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.</p>	
<p>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.</p>	
<p>6. Treated sewage adjustment factor per 1,000 gallons*</p>	
	\$3.41
<p>*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))</p>	

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

September 1, 2017

*Michelle Stevia*  
 Signature of Utility Officer

Office Manager  
 Title

**EXHIBIT A**

FOR Knox County Utility Commission  
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 1

Barbourville Utility Commission  
(Name of Municipal Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

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**RATES AND CHARGES**

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**MONTHLY SEWER FEE:**

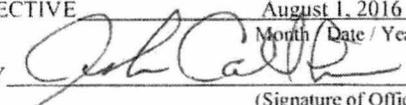
Minimum Bill (No Usage) \$16.73

Volume Charge (Per 1,000 gallons) \$5.96

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DATE OF ISSUE August 7, 2017  
Month / Date / Year

DATE EFFECTIVE August 1, 2016  
Month / Date / Year

ISSUED BY   
(Signature of Officer)

TITLE GENERAL MANAGER

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

# 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>
Aug	540,600
Sep	435,900
Oct	485,500
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
Annual Total	4,092,400
New Sewage Treatment Rate	\$5.96
Old Sewage Treatment Rate	<u>2.55</u>
Change in Rate	\$3.41
Total Change in Treatment Cost	\$13,955.08
<b>TSA Factor per 1,000 gals:</b>	
$\$13,955.08 / 4,092.4 =$	<u><b>\$3.41</b></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

EXHIBIT D

KNOX COUNTY UTILITY COMMISSION COMMISSIONERS MEETING

June 6, 2017

Meeting was called to order by Jerry P. Cox. Present were Commissioners William Brewer, Sam Watts, Ramiro Solis, and Summer Powers. Carolyn Smith was absent.

Motion was made by Sam Watts to approve May minutes. Seconded by William Brewer. All in favor.

Motion was made by Sam Watts to approve April Financial Report. Seconded by Ramiro Solis. All in favor.

Invoices submitted at meeting were approved.

Motion was made by Sam Watts to authorize Jerry P. Cox to sign the ARC pre-application for Coalstone and allow Marshall Ramey to sign any future paperwork. Seconded by Ramiro Solis. All in favor.

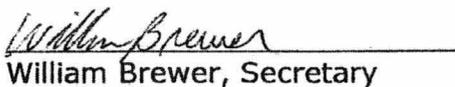
Motion was made by Sam Watts to accept the resolution from the City of Barbourville granting Knox Utility \$5,760.87 to be used for the purchase of meters and to allow Marshall Ramey to sign any future paperwork for the grant. Seconded by William Brewer. All in favor.

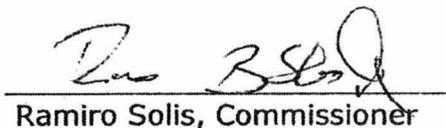
Motion was made by Sam Watts to rescind the motion from the May meeting to hire Connie Allen from Salt River Engineering to complete a sewer rate increase and instead allow KRWA to complete the rate increase. Seconded by William Brewer. All in favor.

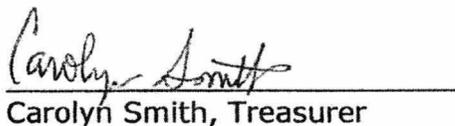
With no further business meeting was adjourned.

  
Jerry P. Cox, Chairman

  
Sam Watts, Commissioner

  
William Brewer, Secretary

  
Ramiro Solis, Commissioner

  
Carolyn Smith, Treasurer

  
Summer Powers, Commissioner