

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF JESSAMINE-)	
SOUTH ELKHORN WATER DISTRICT FOR A)	CASE NO.
RATE ADJUSTMENT PURSUANT TO 807 KAR)	2022-00050
5:076)	

ORDER

This matter arises upon Jessamine-South Elkhorn Water District (Jessamine-South Elkhorn District) acceptance of Commission Staff's recommendation regarding the amount of a rate increase that amended Jessamine-South Elkhorn District's application to request higher rates than initially requested. Jessamine-South Elkhorn District requested an increase in its revenue requirement of \$178,342 or 7.10 percent over test-year normalized revenues. When Commission Staff performed the limited financial review of test-year operations, Commission Staff determined Jessamine-South Elkhorn District would require an increase of \$214,944 or 8.56 percent. On July 6, 2022, Jessamine-South Elkhorn District filed with the Commission its comments in response to Commission Staff's June 29, 2022 report (Commission Staff's Report) that accepted the amount of the revenue increase, the allocation to the rate classes, and the design of the proposed rates set forth in the Commission Staff's Report.

LEGAL STANDARD

Commission regulation 807 KAR 5:076, Section 11(3)(f), states:

If commission staff reports that the applicant's financial condition supports a higher rate than the applicant proposed or commission staff recommends the assessment of an

additional rate or charge not proposed in the application and commission staff's proposed rates produce a total increase in revenues that exceeds 110 percent of the total increase in revenues that the applicant's proposed rates will produce and the applicant amends its application to request commission staff's proposed rates, the commission shall order the applicant to provide notice of the finding or recommendation to its customers.

Commission regulation 807 KAR 5:076, Section 7(1), provides that an application for an alternative rate adjustment (ARF) may not place the proposed rates into effect until the Commission approves those rates or six months from the date of filing an application.

Commission regulation 807 KAR 5:001, Section 4(5), provides that amendment of an application shall not relate back to the date of the filing of the original application unless the Commission orders otherwise.

DISCUSSION AND FINDINGS

As an initial matter, when Jessamine-South Elkhorn District accepted Commission Staff's proposed increase of \$214,944, Jessamine-South Elkhorn District accepted rates that produced a total increase that exceeds the revenue initially proposed by \$36,602 or is 120.52 percent of the original proposed rates.¹ Consistent with 807 KAR 5:076, Section 11(3)(f), because Jessamine-South Elkhorn District amended its application on July 6, 2022, when it accepted the revenue increase proposed by Commission Staff that exceeded the 110 percent threshold and because the amended application does not

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Amended Application Revenue Increase	214,944
Divide by: Originlly Proposed Revenue Increase	<u>178,342</u>
Percent in Excess of Original Application	<u>120.52%</u>

relate back to the original application, Jessamine-South Elkhorn District shall not place the proposed rates into effect until the Commission issues an Order approving the rates or January 26, 2023, which is six months from the date the application was amended, whichever comes first.

Because Jessamine-South Elkhorn District accepted rates that exceed the regulatory threshold for renote, the Commission finds that Jessamine-South Elkhorn District should provide notice of the proposed rate increase to its customers. Within 14 days of the date of this Order, Jessamine-South Elkhorn District shall notify its customers of the implementation of the rates calculated in the Commission Staff's Report by publishing notice of the increase in a newspaper of general circulation in its territory or placing an insert in bills rendered to its customers. The customer notice shall contain the information set forth in the Appendix to this Order.

IT IS THEREFORE ORDERED that:

1. Jessamine-South Elkhorn District's amended application is accepted as filed as of July 6, 2022.
2. Jessamine-South Elkhorn District shall not place the proposed rates into effect until the Commission issues an Order approving the rates or six months from the date the application was amended, whichever comes first.
3. Within 14 days of the date of this Order, Jessamine-South Elkhorn District shall notify its customers of the implementation of the rates calculated in the Commission Staff's Report by publishing notice of the increase in a newspaper of general circulation in its territory or placing an insert in bills rendered to its customers. The customer notice shall contain the information set forth in the Appendix to this Order.

4. Jessamine-South Elkhorn District shall provide proof of publication of the notice to the Commission no later than 30 days from the date of this Order.

5. If the Commission does not receive any written requests for intervention or a hearing in this matter within 30 days of publication of new rates, this case shall stand submitted to the Commission for a decision based upon the existing record.

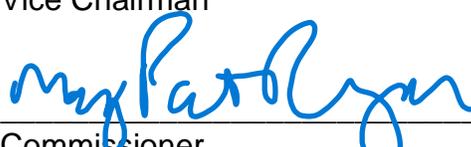
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PUBLIC SERVICE COMMISSION



Chairman

Vice Chairman



Commissioner



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2022-00050 DATED JUL 28 2022

On February 25, 2022, the Kentucky Public Service Commission (PSC) accepted for filing Jessamine-South Elkhorn Water District’s (Jessamine-South Elkhorn District) application requesting to increase its revenue from water sales by \$178,342, an approximate increase of 7.10 percent. On July 19, 2022, Commission Staff determined Jessamine-South Elkhorn District would require an increase of \$214,944 or 8.56 percent in revenue from water sales. Jessamine-South Elkhorn District requests the PSC approve its recommended revenue requirements and that Jessamine-South Elkhorn District be allowed to implement the revised rates as follows:

Monthly Water Rates

<u>5/8-Inch X 3/4-Inch Meter</u>					
Gallons per Month	Current Rates		Requested Rates		
	per Gallon	Gallons per Month	per Gallon	\$ Change	% Change
First 2,000 Gallons - Min. Bill	\$27.48	First 2,000 Gallons - Min. Bill	\$29.82	\$2.34	8.52%
Next 2,000 Gallons	0.00809	Next 2,000 Gallons	0.00876	\$0.00067	8.28%
Next 2,000 Gallons	0.00799	Next 2,000 Gallons	0.00865	\$0.00066	8.26%
Next 10,000 Gallons	0.00789	Next 10,000 Gallons	0.00854	\$0.00065	8.24%
Next 8,000 Gallons	0.00779	Next 8,000 Gallons	0.00844	\$0.00065	8.34%
Over 24,000 Gallons	0.00769	Over 40,000 Gallons	0.00834	\$0.00065	8.45%

<u>1-Inch Meter</u>					
Gallons per Month	Current Rates		Requested Rates		
	per Gallon	Gallons per Month	per Gallon	\$ Change	% Change
First 10,000 Gallons - Min. Bill	\$91.20	First 10,000 Gallons - Min. Bill	\$98.80	\$7.60	8.33%
Next 6,000 Gallons	0.00789	Next 6,000 Gallons	0.00854	\$0.00065	8.24%
Next 8,000 Gallons	0.00779	Next 8,000 Gallons	0.00844	\$0.00065	8.34%
Over 34,000 Gallons	0.00769	Over 34,000 Gallons	0.00834	\$0.00065	8.45%

<u>1 1/2-Inch Meter</u>					
Gallons per Month	Current Rates		Requested Rates		
	per Gallon	Gallons per Month	per Gallon	\$ Change	% Change
First 24,000 Gallons - Min Bill	\$200.86	First 24,000 Gallons - Min Bill	\$217.57	\$16.71	8.32%
Over 40,000 Galoons	0.00769	Over 40,000 Galoons	0.00834	\$0.00065	8.45%

Nonrecurring Charges

	<u>Current Charge</u>	<u>Requested Charge</u>
Reconnection Fee	\$35	\$13
Returned Check Charge	\$35	\$12

The proposed rates shall not become effective until the Public Service Commission has issued an Order approving these rates. The rates will increase the monthly bill of a typical residential customer using 6,000 gallons a month from \$59.64 to \$64.64, an increase of \$5.00 or approximately 8.38 percent. This filing may be examined at the offices of

Jessamine-South Elkhorn District located at 802 S. Main Street, Nicholasville, Kentucky; telephone 859-881-0589.

Any person may examine this filing at the PSC located at 211 Sower Boulevard, Frankfort, Kentucky, Monday–Friday, 8:00 a.m. to 4:30 p.m. or on the PSC website at <https://psc.ky.gov>; telephone (502) 564-3940. A copy of the PSC Commission Staff’s Report can be found at the following address:

https://psc.ky.gov/pscscf/2022%20Cases/2022-00050//20220629_STAFF_REPORT.pdf

Any person may submit comments on the proposed request no later than 30 days after the date of publication of customer notice. Comments shall be in writing and shall be submitted to the Executive Director, Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602. Comments may also be submitted by electronic mail to psc.comment@ky.gov. If the Commission does not receive any request for intervention or hearing in this matter within 30 days after the date of publication of this customer notice, the Commission will proceed to render a decision in the matter

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