

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

On February 25, 2022, Jessamine-South Elkhorn Water District (Jessamine-South Elkhorn District) filed an application with the Commission for a water rate adjustment, pursuant to 807 KAR 5:076. The application was filed pursuant to the Commission’s Order in Case No. 2020-00382, which explained that Jessamine-South Elkhorn District had not sought a general base rate adjustment since 1990 for its water operations, and the lack of Commission insight into Jessamine-South Elkhorn District’s water and water financial records indicated that the utility should file an application for a traditional adjustment in rates or an alternative rate adjustment.¹ In its application, Jessamine-South Elkhorn District requested rates that would increase annual water sales revenues by \$178,342 or 7.10 percent across-the-board increase to pro forma present rate water revenues.

To ensure the orderly review of the application, the Commission established a procedural schedule by Order dated March 23, 2022. Jessamine-South Elkhorn District

¹ Case No. 2020-00382, *Electronic Application of Jessamine-South Elkhorn Water District for Approval to Enter into a Lease Agreement with the Kentucky Association of Counties Leasing Trust in an Approximate Principal Amount of \$2,515,000 for the Purpose of Refinancing All Outstanding Obligations of the Jessamine-South Elkhorn Water District* (Ky. PSC Jan. 29, 2021), Order at 2, and ordering paragraph 7.

responded to three discovery requests from Commission Staff. Pursuant to the Commission's March 23, 2022 Order, Commission Staff issued a report (Commission Staff's Report) on June 29, 2022, summarizing its findings regarding Jessamine-South Elkhorn District's application. The Commission Staff's Report indicated that Jessamine-South Elkhorn District's adjusted test-year operations support an overall revenue requirement of \$2,755,681 and that an increase of \$214,944 or 8.56 percent is necessary to generate the overall revenue requirement.

On July 6, 2022, Jessamine-South Elkhorn District filed its comments on the Commission Staff's Report with the Commission.² In its response, Jessamine-South Elkhorn District did not agree with Commission Staff's removal of certain labor expenses from nonrecurring charges but did not wish to contest that adjustment in this case. Jessamine-South Elkhorn District concurred with the remaining findings presented in the Commission Staff's Report and did not request that a conference or hearing be held.

On July 28, 2022, the Commission issued an Order to Jessamine-South Elkhorn District to publish a one-time notice within 14 days following 807 KAR 5:076, Section 5, of the water rates as reflected in Commission Staff's Report.³ On August 8, 2022, Jessamine-South Elkhorn District filed proof that the customer notice was published on August 11, 2022, in the Nicholasville Jessamine Journal.⁴

OUTSTANDING ISSUES

² Jessamine-South Elkhorn District's Response to Commission Staff's Report (filed July 6, 2022).

³ Order (requiring re-notification) (Ky. PSC July 28, 2022).

⁴ Public Notice of Amended Rates (filed Aug. 8, 2022).

On July 25, 2022, Jessamine-South Elkhorn District filed a letter of inquiry regarding a pending treated wholesale water rate increase from their water supplier, the city of Nicholasville. In the letter, the district requested input from the Commission on how the rate increase would affect the pendency of the instant case and stated its intent to file a Purchased Water Adjustment (PWA) with the Commission to pass through the increase in wholesale water rate. The Commission notes that in the event that a PWA was filed prior to the rates in this case being placed into effect, the Commission will take the rates authorized in this order into consideration in calculating appropriate PWA rates.

LEGAL STANDARD

Alternative rate adjustment proceedings, such as this one, are governed by Commission regulation 807 KAR 5:076, which establishes a simplified process for small utilities to use to request rate adjustments, with the process designed to be less costly to the utility and to the utility ratepayers. The Commission's standard of review for a utility's request for a rate increase is well established. In accordance with KRS 278.030 and case law, Jessamine-South Elkhorn District is allowed to charge its customers "only 'fair, just and reasonable rates.'"⁵ Further, Jessamine-South Elkhorn District bears the burden of proof to show that the proposed rate increase is just and reasonable under KRS 278.190(3).

WATER LOSS

Commission regulation 807 KAR 5:066, Section 6(3), states that for ratemaking purposes a utility's unaccounted-for water loss shall not exceed 15 percent of the total

⁵ *City of Covington v. Public Service Commission*, 313 S.W.2d 391 (Ky. 1958); and *Pub. Serv. Comm'n v. Com. of Kentucky v. Dewitt Water District*, 720 S.W.2d 725 (Ky. 1986).

water produced and purchased, excluding water consumed by a utility in its own operations. In Jessamine-South Elkhorn District's 2020 Annual Report, Jessamine-South Elkhorn District reported a water loss of 8.30 percent.⁶ At 8.30 percent water loss, the total annual cost to Jessamine-South Elkhorn District of water is \$69,894.⁷

BACKGROUND

Jessamine-South Elkhorn Water District (Jessamine-South Elkhorn District) is a water utility organized pursuant to KRS Chapter 74 that owns and operates a water distribution system through which it provides retail water service to approximately 3,070 residential customers and 75 commercial customers that reside in Jessamine County, Kentucky.⁸ Jessamine-South Elkhorn District does not produce any of its own water but purchases it from its wholesale supplier, the city of Nicholasville. Jessamine-South Elkhorn's most recent general rate adjustment was in Commission Case No. 1990-00075.⁹

TEST PERIOD

The calendar year ended December 31, 2020, was used as the test year to determine the reasonableness of Jessamine-South Elkhorn District's existing and proposed water rates, as required by 807 KAR 5:076, Section 9.

⁶ *Annual Report of Jessamine-South Elkhorn District to the Public Service Commission (2020 Annual Report) for the Calendar Year Ended December 31, 2020* at 57.

⁷	Purchased Water from 2020 Annual Report	\$ 842,097
	Times: Total Water Loss	8.30%
	Total Cost of Water Loss	<u>\$ 69,894</u>

⁸ 2020 Annual Report at 12 and 49.

⁹ Case No. 1990-00075, *In the Matter of Adjustment of Rates of the Commonwealth of Kentucky of Lexington South Elkhorn Water District has Been Received*. (Ky. PSC Oct. 1, 1990).

SUMMARY OF REVENUE AND EXPENSES

The Commission Staff's Report summarizes Jessamine-South Elkhorn District's pro forma income statement as follows:

	2020 Test Year	Pro Forma Adjustments	Commission Staff's Report Pro Forma
Operating Revenues	\$ 2,618,209	\$ (80,443)	\$ 2,537,766
Operating Expenses	<u>2,175,753</u>	<u>(131,435)¹⁰</u>	<u>2,044,318</u>
Net Operating Income	442,456	50,992	493,448
Interest Income	<u>2,971</u>	<u>-</u>	<u>2,971</u>
Income Available for Debt Service	<u>\$ 445,427</u>	<u>\$ 50,992</u>	<u>\$ 496,419</u>

REVIEW AND MODIFICATIONS TO COMMISSION STAFF'S FINDINGS

Jessamine-South Elkhorn District proposed adjustments to revenues and expenses to reflect current and expected operating conditions. In the Commission Staff's Report, Commission Staff proposed additional adjustments. The Commission accepts the findings contained in the Staff's Report. Regarding any further modifications, the Commission has none.

Billing Analysis Adjustment. In the Commission Staff's Report, Commission Staff recommended the Commission accept Jessamine-South Elkhorn District's proposed decrease of \$42,112 in service revenue based on Jessamine-South Elkhorn District's

¹⁰ Commission Staff's Report inadvertently contained an error that excluded a \$1,304 adjustment shown in its pro forma statement of operations from its sum of pro forma total operating expenses. It has been updated here.

current billing analysis.¹¹ The Commission finds that this adjustment is reasonable as an examination of Jessamine South Elkhorn District's billing analysis was completed by Commission Staff and a normalized revenue was based on the information provided.

Late Fees. Jessamine-South Elkhorn District proposed an adjustment to increase test year forfeited discounts of \$18,803 to account for the moratorium regarding the collection of late fees for past due accounts due to the COVID-19 Pandemic. This adjustment reflected the 2019 level of late fees. Commission Staff recommended that the Commission update the adjustment to reflect a three-year average in accordance with Commission precedent,¹² resulting in an increase in test-year late fee revenue of \$20,920.¹³ The Commission finds that Commission Staff's adjustment represents known and measurable change¹⁴ to Other Water Revenues, is reasonable, and are accepted.

Tap Fees. In the Commission Staff's Report, Commission Staff recommended the Commission accept Jessamine-South Elkhorn District's proposed decrease of \$52,150 to miscellaneous service revenue to remove tap-on fees collected from

¹¹ Commission Staff's Report at 8, Adjustment A. The Staff Report incorrectly identifies this amount as \$42,114. The Pro Forma correctly identifies this adjustment.

¹² Case No. 2021-00425, *Electronic Application of Corinth Water District for a Rate Adjustment Pursuant to 807 KAAR 5:076* (Ky. PSC May 25, 2022).

¹³ Commission Staff's Report at 9, Adjustment B.

¹⁴ See 807 KAR 5:001, Section 16.1.(a); Case No. 2001-00211, *The Application of Hardin County Water District No. 1 for (1) Issuance of Certificate of Public Convenience and Necessity; (2) Authorization to Borrow Funds and to Issue Its Evidence of Indebtedness Therefore; (3) Authority to Adjust Rates; and (4) Approval to Revise and Adjust Tariff* (Ky. PSC Mar. 1, 2002); Case No. 2002-00105, *Application of Northern Kentucky Water District for (A) an Adjustment of Rates; (B) a Certificate of Public Convenience and Necessity for Improvements to Water Facilities if Necessary; and (C) Issuance of Bonds* (Ky. PSC June 25, 2003); Case No. 2017-00417, *Electronic Proposed Adjustment of the Wholesale Water Service Rates of Lebanon Water Works* (Ky. PSC July 12, 2018); and Case No. 2019-00080, *Electronic Proposed Adjustment of the Wholesale Water Service Rates of the City of Pikeville to Mountain Water District* (Ky. PSC Dec. 19, 2019).

customers in the test year.¹⁵ Following an examination of Jessamine-South Elkhorn District's records, Commission Staff agreed that the adjustment was appropriate and that an associated increase in depreciation of \$1,304 to capitalize tap-on fees was also necessary. Commission finds that these adjustments are reasonable and are accepted.

Incorrectly Recorded Penalty Revenue. In the Commission Staff's Report, Commission Staff recommended the Commission accept Jessamine-South Elkhorn District's proposed decrease of \$1,136 to miscellaneous service revenue to remove penalties incorrectly collected from customers in the test year.¹⁶ Following an examination of Jessamine-South Elkhorn District's records, Commission Staff agreed that the adjustment was appropriate and reflects pro forma revenue levels. The Commission finds that this adjustment is reasonable and is accepted.

Other Water Revenues – Nonrecurring Charges. In the Commission Staff's Report, Commission Staff discussed Jessamine-South Elkhorn District's Nonrecurring Charges, in which estimated labor costs previously included in determining the amount of Nonrecurring Charges were removed. Commission Staff recommended revised Nonrecurring Charges and a reduction to Other Operating Revenue of \$5,965.¹⁷ In its response to the Commission Staff's Report, Jessamine-South Elkhorn District disagreed with the removal of labor expenses from its Nonrecurring Charges but did not wish to contest the adjustments in this case.¹⁸

¹⁵ Commission Staff's Report at 9, Adjustment C.

¹⁶ Commission Staff's Report at 10, Adjustment D.

¹⁷ Commission Staff's Report at 10, Adjustment E.

¹⁸ Jessamine-South Elkhorn District's Responses to the Commission Staff's Report.

The Commission continues to follow its previous decisions regarding Nonrecurring Charges: personnel are paid during normal business hours and their salaries are recovered through rates.¹⁹ Allowing a utility to recover the same labor expense twice is not fair, just and reasonable. Therefore, estimated labor costs previously included in determining the amount of Nonrecurring Charges shall be eliminated from the charges. The Commission finds that the calculation of Nonrecurring Charges shall be revised and only the marginal costs related to the service should be recovered through a special nonrecurring charge for service provided during normal working hours. The Commission requires that charges be directly related to the actual cost incurred to provide the service. It is unreasonable to allocate an expense already incurred as a day-to-day cost of maintaining a system, such as the salary of a distribution operator, to a nonrecurring service such as the connection and reconnection of a meter during normal working hours. The perceived unfairness from removal of these costs does not outweigh the mismatch of costs and revenues. This approach to ratemaking is entirely consistent with the Commission's history of ensuring that rates reflect, to a reasonable degree, the principle of cost causation while simultaneously taking into account the health of the utility and the ability of the utility to provide the adequate, efficient and reasonable provision of service. The implementation of rates that significantly deviate from the actions and expenses underlying the service provided can create material issues with a utility's ability to meet its approved revenue requirement, particularly a utility with razor thin margins. In keeping with precedent, the Commission finds this adjustment to be reasonable.

¹⁹ Case No. 2020-00141, *Electronic Application of Hyden-Leslie County Water District for an Alternative Rate Adjustment* (Ky. PSC Nov. 6, 2020).

The nonrecurring charges shall each be reduced by the estimated labor costs stated in the cost justification sheets. The Commission finds the revised nonrecurring charges set out in Appendix B and the adjustment of (\$5,965) to Other Water Revenue is reasonable.

Salaries and Wages – Employees & Federal Insurance Contributions Act (FICA).

In the Commission Staff's Report, Commission Staff recommended a decrease to Jessamine-South Elkhorn District's test-year Salaries and Wages Employees Expense of \$8,086 as well as an associated increase to Taxes Other Than Income to account for the adjusted payroll tax costs of \$1,357 to reflect current employee compensation and FICA taxes levels.²⁰ The Commission finds that these adjustments are known and measurable and are accepted.

Allocated Overhead. In its application, Jessamine-South Elkhorn District proposed two adjustments to test year miscellaneous expense to reflect errors in the allocation of overhead expenses between the water and sewer districts that resulted in a total increase in miscellaneous expense of \$49,060. In the Commission Staff's Report, Commission Staff recommended that the Commission not accept the adjustments proposed by Jessamine-South Elkhorn District but accept the recalculated appropriate adjustments to numerous expenses based on pro forma allocation percentages based on Jessamine-South Elkhorn District's customer count as of January 1, 2022, as shown below.

²⁰ Commission Staff's Report at 10-11, Adjustment F.

Water Customers	3,190
Sewer Customers	1,110
Drip Customers	<u>54</u>
Total Customers	<u>4,354</u>
Total Sewer and Drip Customers	1,164
Divide by: Total Customers	<u>4,354</u>
Sewer Allocation Percentage	26.73%
Water Allocation Percentage	<u>73.27%</u>

The sum total results in an overall increase to expenses of \$38,399, shown below.²¹ The Commission finds that Commission Staff's revised allocations between the water and water division to be reasonable. Further, the Commission finds the proposed adjustments to overhead expenses are known and measurable, are reasonable, and are accepted.

<u>Adjustment Item</u>	<u>Amount</u>
Commissioner Salaries	(1,155)
Contractual Services - Accounting	625
Contractual Services - Maintenance	43,278
Travel Expenses	(541)
Insurance - Gen Liability	(2,439)
Telephone Expense	(393)
Postage Expense	(880)
Utilities Expense	7,184
Office Expense	(1,566)
Office Maintenance Expense	(4,607)
Truck Fuel Expense	<u>(1,102)</u>
Total	<u>38,404</u>

²¹ Commission Staff's Report at 11, Adjustment G.

Employee Pensions and Benefits. In the Commission Staff's Report, Commission Staff recommended a decrease to Jessamine-South Elkhorn District's test-year Employee Pension and Benefit Expense of \$8,447 to annualize the allowable health insurance premiums as well as adjust County Employee Retirement System (CERS) contributions for the rate authorized as of July 1, 2021.²² The Commission finds that this adjustment is known and measurable and is accepted.

Depreciation Expense. In the Commission Staff's Report, Commission Staff recommended accepting the adjustment proposed by Jessamine-South Elkhorn District to increase test-year Depreciation Expense by \$172,139, calculated by adjusting the useful lives of the Jessamine-South Elkhorn District's assets to the midpoint of the lives found in the National Association of Regulatory Utility Commissioners' (NARUC) report titled *Depreciation Practices for Small Utilities* (NARUC Study) published in 1979.²³ The Commission finds that the adjustment keeps with Commission precedent and is a known and measurable change to test-year Depreciation Expense, and is accepted.

Based on the Commission's findings discussed above, the following table summarizes Jessamine-South Elkhorn District's adjusted pro forma operations.²⁴

	Commission Staff's Report Pro Forma	Commission Adjustments	Final Pro Forma
Operating Revenues	\$ 2,537,766	\$ -	\$ 2,537,766
Operating Expenses	<u>2,044,318</u>	<u>-</u>	<u>2,044,318</u>

²² Commission Staff's Report at 11-13, Adjustment H.

²³ Commission Staff's Report at 13-14, Adjustment I.

²⁴ See Appendix A for a complete Pro Forma.

Net Operating Income	493,448	-	493,448
Interest Income	<u>2,971</u>	<u>-</u>	<u>2,971</u>
Income Available for Debt Service	<u>\$ 496,419</u>	<u>\$ -</u>	<u>\$ 496,419</u>

REVENUE REQUIREMENTS

Based upon the Commission’s findings and determinations herein, Jessamine-South Elkhorn District requires an increase in revenues of \$214,944, or 8.56 percent above pro forma present rate revenues, as shown below.

Operating Expenses	\$ 2,044,318
Add: Average Annual Debt Principal and Interest	592,802
Additional Working Capital	<u>118,560</u>
Overall Revenue Requirement	2,755,681
Less: Other Operating Revenue	(27,534)
Interest Income	<u>(2,971)</u>
Revenue Requirement - Water Rates	2,725,176
Less: Normalized Revenue from Service	<u>(2,510,232)</u>
Required Revenue Increase	<u>\$ 214,944</u>
Percentage Increase	<u>8.56%</u>

RATE DESIGN

Jessamine-South Elkhorn District proposed to increase its monthly retail and bulk sales water service rates by approximately 7.10 percent across the board. Jessamine-South Elkhorn District has not performed a cost of service study (COSS). Jessamine-

South Elkhorn District stated that it did not complete a COSS at this time as there has been no material changes in the water system.²⁵

The Commission has previously found that the allocation of a revenue increase evenly across the board to a utility's rate design is appropriate when there has been no evidence entered into the record demonstrating that this method is unreasonable and in the absence of a COSS. In the Commission Staff Report, Commission Staff followed the method previously accepted by Jessamine-South Elkhorn District and allocated Commission Staff's calculated revenue increase across the board to Jessamine-South Elkhorn District's monthly retail water service rates.

The rates set forth in Appendix B to this Order are based upon the revenue requirement the Commission has found to be fair, just and reasonable and will produce sufficient revenues from water sales to recover the \$2,725,176 Revenue Required from Rates, an approximate 8.56 percent increase. These rates will increase a typical residential customer's monthly water bill from \$59.64 to \$64.64, an increase of \$5.00 or approximately 8.38 percent.²⁶

UNAPPROVED DEBTS

Commission Staff's Report notes that Jessamine-South Elkhorn District did not receive Commission approval for both of its Kentucky Infrastructure Authority (KIA) Loans and two bank loans held by Central Bank. While unapproved, it is Commission Staff's historical practice for the purpose of ratemaking to include the loan interest and principal for unapproved loans that were taken on in instances in which the Commission would

²⁵ Jessamine-South Elkhorn District's Response to Commission Staff's First Request for Information (Staff's First Request) (filed Apr. 14, 2022), Item 4.

²⁶ The typical residential customer uses approximately 6,000 gallons per month.

have likely approved the financing if requested and has done so in this case. Therefore, the Commission agrees with Commission Staff and finds that the debt service for the notes should be included in the rate calculation.

However, Jessamine-South Elkhorn District has the responsibility to ensure that it follows the Commission's statutes and regulations and that all statutory and regulatory approvals are obtained. The Commission finds it is necessary to open a separate proceeding to thoroughly investigate the possible violations of KRS 278.300. If a determination is made that there has been a willful violation of any provisions of KRS Chapter 278 and/or 807 KAR Chapter 5, the members of the Board of Commissioners may be held accountable.²⁷

SUMMARY

After consideration of the evidence of record and being otherwise sufficiently advised, the Commission finds that the recommendations contained in the Commission Staff's Report and discussed above are supported by the evidence of record and are reasonable. The Commission has historically used a Debt Service Coverage (DSC) method to calculate the revenue requirement for water districts or associations with outstanding long-term debt. Therefore, applying the DSC method to Jessamine-South Elkhorn District's pro forma operations results in an Overall Revenue Requirement of \$2,755,681 and, based upon pro forma present rate service revenues of \$2,725,176, a revenue increase of \$214,944 from water service rates is necessary to generate the

²⁷ KRS 278.990(1). Any officers, agent, or employee of a utility, as defined in KRS 278.010, and any other person who willfully violates any of the provisions of this chapter or any regulation promulgated pursuant to this chapter, or fails to obey any order of the commission from which all rights of appeal have been exhausted or who procures, aids, or abets a violation by any utility, shall be subject to either a civil penalty to be assessed by the commission not to exceed two thousand five hundred dollars (\$2,500) for each offense or a criminal penalty of imprisonment for not more than six (6) months, or both.

overall revenue requirement. The Commission further finds that allocating the calculated revenue increase across the board to Jessamine-South Elkhorn District's monthly retail water service rates to be fair, just and reasonable.

IT IS THEREFORE ORDERED that:

1. The findings contained in the Commission Staff's Report are adopted and incorporated by reference into this Order as if fully set out herein.
2. The general service rates proposed by Jessamine-South Elkhorn District are denied.
3. The rates set forth in Appendix B to this Order are approved for services rendered by Jessamine-South Elkhorn District on and after the date of this Order.
4. Within 20 days of the date of service of this Order, Jessamine-South Elkhorn District shall file with this Commission, using the Commission's electronic Tariff Filing System, new tariff sheets setting forth the rates and charges approved herein and their effective date, and stating that the rates and charges were authorized by this Order.
5. Jessamine-South Elkhorn District shall use the midpoint of the depreciable lives of the NARUC Study ranges, as proposed in the application and agreed upon by Commission Staff, to depreciate water plant assets for accounting purposes in all future reporting periods. No adjustment to accumulated depreciation or retained earnings should be made to account for this change in the accounting estimate.
6. The Commission shall establish a docket to investigate Jessamine-South Elkhorn System, and its board of commissioners for an alleged violation of KRS 278.300.
7. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner

ENTERED
SEP 22 2022 rcs
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2022-00050 DATED SEP 22 2022

	<u>Test Year</u>	<u>Adjustment</u>	<u>Commisison Adjustment</u>	<u>Pro Forma</u>
Operating Revenues				
Retail Sales of Water	\$ 2,552,344	\$ (42,112)		\$ 2,510,232
Other Water Revenues				
Forfeited Discounts	-	20,920		20,920
Misc Service Revenues	65,865	(52,150)		6,614
		(1,136)		
		(5,965)		
Total Operating Revenues	<u>2,618,209</u>	<u>(80,443)</u>	<u>-</u>	<u>2,537,766</u>
Operating Expenses				
Operation and Maintenance Expenses				
Salaries and Wages - Employees	220,911	8,086		228,997
Salaries and Wages - Officers	23,281	(1,155)		22,126
Employee Pensions and Benefits	47,405	(8,447)		38,958
Purchased Water	842,097			842,097
Materials and Supplies	31,458			31,458
Contractual Services	114,075	625		114,700
Rental of Building/Real Property	510			510
Transportation Expenses	10,677	(541)		9,034
		(1,102)		
Insurance	32,741	(2,439)		30,302
Bad Debt	3,986			3,986
Miscellaenous Expenses	270,671	43,278		
		(393)		
		(880)		
		7,184		
		(1,566)		
		(4,607)		
Total Operation and Mainenance Expenses	<u>1,597,812</u>	<u>38,043</u>	<u>-</u>	<u>1,635,855</u>
Depreciation Expense	560,087	(172,139)		
		1,304		389,252
Taxes Other Than Income	17,854	1,357		19,211
Total Operating Expenses	<u>2,175,753</u>	<u>(131,435)</u>	<u>-</u>	<u>2,044,318</u>
Utility Operating Income(Loss)	<u>\$ 442,456</u>	<u>\$ 50,992</u>	<u>\$ -</u>	<u>\$ 493,448</u>

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2022-00050 DATED SEP 22 2022

The following rates and charges are prescribed for the customers in the area served by Jessamine-South Elkhorn Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8- X 3/4-Inch Meter

First	2,000 Gallons	\$ 29.82	Minimum Bill
Next	2,000 Gallons	0.00876	Per Gallon
Next	2,000 Gallons	0.00865	Per Gallon
Next	10,000 Gallons	0.00854	Per Gallon
Next	8,000 Gallons	0.00844	Per Gallon
Over	24,000 Gallons	0.00834	Per Gallon

1-Inch Meter

First	10,000 Gallons	\$ 98.80	Minimum Bill
Next	6,000 Gallons	0.00854	Per Gallon
Next	8,000 Gallons	0.00844	Per Gallon
Over	24,000 Gallons	0.00834	Per Gallon

2-Inch Meter

First	24,000 Gallons	\$217.57	Minimum Bill
Over	24,000 Gallons	0.00834	Per Gallon

Connection Fees

5/8-Inch x 3/4-Inch Meter	\$1,500 per connection
1-Inch Meter	\$1,850 per connection

Non-Recurring Charges

Reconnection Fee	\$13.00
Returned Check Charge	\$12.00

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