

BRUCE E. SMITH LAW OFFICES, PLLC

201 SOUTH MAIN STREET

NICHOLASVILLE, KENTUCKY 40356

(859) 885-3393 + (859) 885-1152 FAX

BRUCE E. SMITH  
bruce@smithlawoffice.net

HENRY E. SMITH  
henry@smithlawoffice.net

August 2, 2016

Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40601

Re: Jessamine-South Elkhorn Water District ("District")  
P.O. Box 731, Nicholasville, KY 40340-0731  
Nonrecurring Sanitary Sewer Charges Tariff Filing – 807 KAR 5:075

Dear Executive Director:

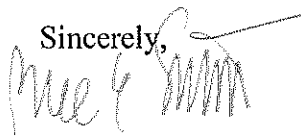
This is an electronically filed application to pass through an increase in certain sanitary sewer treatment fees for the Sewer Service Tariff of the Jessamine-South Elkhorn Water District caused by a corresponding increase of treatment fees by the Lexington Fayette Urban County Government ("LFUCG"). These charges will apply to all of the District's sanitary sewer customers.

Enclosed please find 1) a completed Treated Sewage Adjustment Form 1 and its attachments (LFUCG notice of increase, calculation of increase and Board resolution authorizing increase) 2) proposed tariff sheet; and 3) transmittal letter to Kentucky Attorney General evidencing electronic transmission of this filing to that office at [rateinventory@ag.Ky.gov](mailto:rateinventory@ag.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 recurring charges will not exceed five (5%) percent of the total revenues provided by all recurring charges for the recent twelve (12) month period.

Sincerely,



Bruce E. Smith

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

Name of Utility	<b>Jessamine South Elkhorn Water District</b>		
Date	<b>August 2, 2016</b>		
Address	<b>201 S Main St</b>		
City, State, Zip	<b>Nicholasville</b>	<b>KY 40356</b>	
Telephone Number	<b>859-885-3393</b>		
Email address	<b>c/o bruce@smithlawoffice.net</b>		

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
<b>LFUCG</b>	<b>\$5.21</b>	<b>\$5.84</b>

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

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	<b>July 2015</b>	<b>through</b>	<b>June 2016</b>
	(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
<b>LFUCG</b>	<b>47,442,332 gallons</b>
<b>TOTAL</b>	<b>47,442,332 gallons</b>

4. Total gallons of water sold for the 12 month period	<b>47,442,332 gallons</b>
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5. Increased cost	
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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*	<b>\$0.63 per ccf or \$0.842 per 1,000 gallons</b>
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\*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.

<b>Minimum Bill – 2,000 gallons</b>	<b>\$2190 + \$1.68 = \$23.58</b>
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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	
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8. Treated sewage adjustment (amount to be added to current monthly bill)**	
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\*\*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).

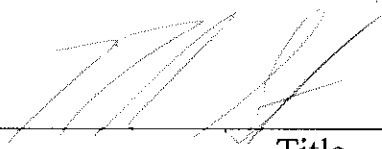
9. A schedule listing the current and proposed rates is attached as Exhibit
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10. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as <b>Exhibit "A"</b>
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11. Proposed effective date	Sept. <u>  1  </u> , 2016
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Signature of Utility Officer

CHAIRMAN ✕



Title

**RESOLUTION**

**WHEREAS**, the Lexington-Fayette Urban County Government (“LFUCG”) gave written notice to the Jessamine-South Elkhorn Water District’s (“District”), Sewer Division on April 29, 2016, of a proposed increase to its sewage treatment rates;

**WHEREAS**, the proposed effective date of the aforementioned increase is July 1, 2016 and the Kentucky Public Service Commission (“PSC”) is expected to approve the increase effect that date; and

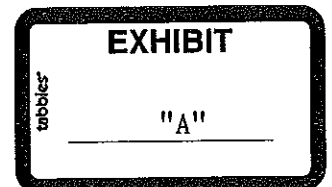
**WHEREAS**, the District’s Board of Commissioners deems it necessary and reasonable to pass the increased treatment rate through to its sewer customers;

**NOW, THEREFORE, IT IS HEREBY RESOLVED** by the District and the District hereby unanimously approves the pass-through to its customers of the increased sewage treatment rate by LFUCG of \$.84 per 1,000 gallons and authorizes the District’s staff to request approval from the PSC, effective: Sept. 1, 2016, of such pass-through.

ATTEST:

Thomas S. Beale  
SECRETARY

[Signature] 6/1/16  
CHAIRMAN DATE



PASS-THROUGH CALCULATION FOR SANITARY SEWER TREATMENT RATES

	<u>NEW RATE</u>	<u>BASE RATE</u>
JSEWD cubic feet water consumption	6,342,557.7	6,342,557.7
Volumetric rate	<u>\$ 5.84/100</u>	<u>\$ 5.21/100</u>
	\$ 370,405.36	\$ 330,447.25

INCREASED WATER COST \$39,958.11

Increased cost	\$39,958.11	
Divided by cubic feet of water sold/100	<u>63,425.57</u>	
	\$0.63	per 100 cubic feet
	or \$0.842	per 1,000 gallons
	\$0.84	per 1,000 gallons

(SEE ATTACHED LFUCG NOTICE)

**EXHIBIT "B"**

MAYOR JIM GRAY



**LEXINGTON**

CHARLES MARTIN  
DIRECTOR  
WATER QUALITY

April 29, 2016

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

RE: Sewer Rate Increase Request  
LFUCG/JSEWD North Jessamine Sewer Service Area

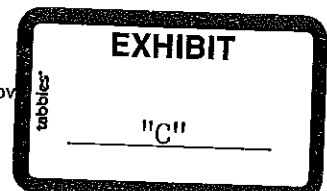
Dear Mr. Strong:

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 Service 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.  
[chmartin@lexingtonky.gov](mailto:chmartin@lexingtonky.gov)  
Director – 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 1, 2016. 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	\$5.21 per 100 cubic feet	\$5.84 per 100 cubic feet	\$0.63 Increase	12% 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	\$1,011.90	\$1,133.33	\$121.43 Increase	12% Increase
From ¼ acre to ½ acre	\$1,879.05	\$2,104.54	\$225.49 increase	12% increase
From ½ acre to ¾ acre	\$2,748.61	\$3,078.44	\$329.83 increase	12% increase
From ¾ acre to 1 acre	\$3,760.50	\$4,211.76	\$451.26 increase	12% increase
Larger than 1 acre	\$4,772.39	\$5,345.08	\$572.69 increase	12% increase

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

Each efficiency unit	\$405.23	\$453.86	\$48.63 increase	12% increase
Each 1-bedroom unit	\$751.37	\$841.53	\$90.16 increase	12% increase
Each 2-bedroom unit	\$982.93	\$1,100.88	\$117.95 increase	12% increase
3-or 4-bedroom unit	\$1,215.70	\$1,361.58	\$145.88 increase	12% increase
Minimum for each building	\$2,023.76	\$2,266.61	\$242.85 increase	12% increase

(3) Motels:

Each living unit	\$751.37	\$841.53	\$90.16	12% increase
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(4) Traller parks:

Each trailer or space	\$1,011.90	\$1,133.33	\$121.43	12% increase
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(5) Service stations:

Each Station	\$5,784.27	\$6,478.38	\$694.11	12% 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	\$1.158	\$1.297	\$0.139	12% increase
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Minimum fee for each urban county government sewer connection	\$1,011.90	\$1,133.33	\$121.43	12% increase
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	<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	\$0.241	\$0.270	\$0.029	12% increase
Minimum fee for each urban county government sewer connection	\$1,011.90	\$1,133.33	\$121.43	12% Increase
(8) Swimming pools:				
For the erection of each swimming pool, a fee per 100 cubic feet	\$1.737	\$1.945	\$0.208	12% increase
(9) Non-profit school establishments:				
The fee for each urban county government sewer connection, per square foot of floor space	\$0.578	\$0.647	\$0.069	12% 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 Jessamine-South Elkhorn Water District  
Community, Town or City

P.S.C. KY. NO. 1

2<sup>nd</sup> revised SHEET NO. 2

Lexington Fayette Urban County Government  
(Name of Utility)

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

Original SHEET NO. 2

**RATES & CHARGES**

Jessamine-South Elkhorn  
Water District Sewer Tap-on  
or Connection Fees

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	\$1,133.33
From ¼ acre to ½ acre	\$2,104.54
From ½ acre to ¾ acre	\$3,078.44
From ¾ acre to 1 acre	\$4,211.76
Larger than 1 acre	\$5,345.08

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

Each efficiency unit	\$453.86
Each 1-bedroom unit	\$841.53
Each 2-bedroom unit	\$1,100.88
3-or 4-bedroom unit	\$1,361.58
Minimum for each building	\$2,266.61

DATE OF ISSUE 04/29/2016  
Month / Date / Year

DATE EFFECTIVE 07/01/2016  
Month / Date / Year

ISSUED BY *Sally Smith*  
(Signature of Officer)

TITLE Chief Administrative Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. n/a DATED n/a

FOR Jessamine-South Elkhorn Water District  
Community, Town or City

P.S.C. KY. NO. 1

2<sup>nd</sup> revised SHEET NO. 2

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

Original SHEET NO. 2

Lexington Fayette Urban County Government  
(Name of Utility)

**RATES & CHARGES**

Jessamine-South Elkhorn  
Water District Sewer Tap-on  
or Connection Fees (continued)

(3) Motels:

Each living unit \$841.53

(4) Trailer Parks:

Each trailer or space \$1,133.33

(5) Service stations:

Each Station \$6,478.38

(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 \$1.297

Minimum fee for each urban county government sewer connection \$1,133.33

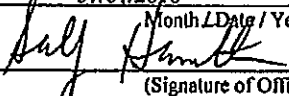
(7) Storage areas, warehouses, and distribution centers:

A fee to be per square foot of floor space \$0.270

Minimum fee for each urban county government sewer connection \$1,133.33

DATE OF ISSUE 04/29/2016  
Month / Date / Year

DATE EFFECTIVE 07/01/2016  
Month / Date / Year

ISSUED BY   
(Signature of Officer)

TITLE Chief Administrative Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. n/a DATED n/a

FOR Jessamine-South Elkhorn Water District  
Community, Town or City

P.S.C. KY. NO. 1

2<sup>nd</sup> revised SHEET NO. 2

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

Original SHEET NO. 2

Lexington Fayette Urban County Government  
(Name of Utility)

RATES & CHARGES

Jessamine-South Elkhorn  
Water District Sewer Tap-on  
or Connection Fees (continued)

(8) Swimming pools:

For the erection of each swimming pool, a fee per 100 cubic feet \$1.945

(9) Non-profit school establishments:

The fee for each urban county government sewer connection, per square foot of floor space \$0.647

DATE OF ISSUE 04/29/2016  
Month / Date / Year

DATE EFFECTIVE 07/01/2016  
Month / Date / Year

ISSUED BY *July Hark*  
(Signature of Officer)

TITLE Chief Administrative Officer

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

FOR: North Jessamine County

PSC KY NO. 1

\_\_\_\_\_ SHEET NO. 1

Jessamine-South Elkhorn Water District

CANCELLING PSC KY NO. 1

\_\_\_\_\_ SHEET NO. 1

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**MONTHLY SEWER RATES**

I **SINGLE UNIT METER**

FIRST 2000 GALLONS

\$23.58 minimum bill

ALL OVER 2000 GALLONS

\$11.79 per 1,000 gallons

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DATE OF ISSUE: 08/02/2016  
MONTH/DATE/YEAR

DATE EFFECTIVE: 09/01/2016  
MONTH/DATE/YEAR

ISSUED BY: \_\_\_\_\_  
SIGNATURE OF OFFICER

TITLE: CHAIRMAN

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

BRUCE E. SMITH, LAW OFFICES, PLLC

201 SOUTH MAIN STREET

NICHOLASVILLE, KENTUCKY 40356

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HENRY E. SMITH  
[henry@smithlawoffice.net](mailto:henry@smithlawoffice.net)

August 2, 2016

**VIA EMAIL: [rateintervention@sg.ky.gov](mailto:rateintervention@sg.ky.gov)**

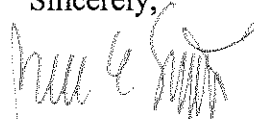
Hon. Andy Beshear  
Kentucky Attorney General  
The Capitol, Suite 118  
Frankfort, Kentucky 40601

Re: Jessamine-South Elkhorn Water District ("District")  
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,



Bruce E. Smith

Enclosure(s)