

# JESSAMINE-SOUTH ELKHORN WATER DISTRICT

May 7, 2025

Ms. Linda Bridwell  
Executive Director  
Public Service Commission  
211 Sower Blvd  
Frankfort, KY 40601

RE: Case No. 2024-00206  
Jessamine-South Elkhorn Water District – Sewer Division  
Revenue Sufficiency Analysis

Dear Ms. Bridwell:

Attached is the Rate Sufficiency Analysis from Jessamine-South Elkhorn Water District as recommended in the Final Order for Case No. 2024-00206 entered July 31, 2024:

*"Based on 2023 performance, it does not appear that the remaining increase will result in positive income. The Commission notes that depreciation has increased by approximately \$45,000 subsequent to the 2020 test year. The Commission recommends that Jessamine-South Elkhorn District file a revenue sufficiency analysis for its sewer division no later than June 30, 2025, based on 2024 financial results and that it considers filing a rate adjustment application soon thereafter if the result is negative."*

The Rate Sufficiency Analysis prepared by Kentucky Rural Water Association states that Jessamine-South Elkhorn Water District's sewer rates are sufficient:

*"Utilizing the Debt Service method accepted by the PSC, the total Revenue Required from Sewer Sales comes to \$1,835,112. That amount is \$3,249 more than existing pro forma sales of \$1,831,863. The analysis shows that the current operations comply with the debt service requirements of the lending agencies without a rate increase and should generate working capital of \$284,884. Therefore, this analysis indicates that Jessamine-South Elkhorn's current sewer division rates are sufficient."*

Please contact me if you have any questions.

Sincerely,



Richard Decker  
Superintendent