

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TREATED SEWAGE)	CASE NO.
ADJUSTMENT FILING OF JESSAMINE -SOUTH)	2018-00239
ELKHORN WATER DISTRICT)	

ORDER

On July 16, 2018, Jessamine-South Elkhorn Water District (Jessamine-South Elkhorn District) applied for approval to adjust its rates pursuant to the treated sewage adjustment procedure¹.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Lexington-Fayette Urban County Government (LFUCG) agreed by contract dated January 3, 2003, to treat sewage generated by Jessamine-South Elkhorn District sewer service customers in a designated service area. Pursuant to the contract, sewer user fees are calculated based upon the monthly water use of each of Jessamine-South Elkhorn District's sewer service customers to whom LFUCG provides sewage treatment.

2. LFUCG notified Jessamine-South Elkhorn District that on May 18, 2018, its wholesale sewage treatment rate would increase from \$5.97 per 100 cubic feet to \$6.12 per 100 cubic feet effective July 1, 2018.² Jessamine-South Elkhorn District proposed to

¹ KRS 278.015; 807 KAR 5:075.

² TFS 2017-00277 (Ky. PSC filed May 19, 2017); the tariff was accepted for filing by the Commission by letter dated June 30, 2017.

increase the sewage rates to its customers effective July 1, 2018, to reflect the increased cost of sewage treatment service from LFUCG.

3. Jessamine-South Elkhorn District proposed a treated sewage adjustment factor of \$0.21 per 1,000 gallons.

4. During the 12-month period that ended May 31, 2018, Jessamine-South Elkhorn District's sewer customers receiving service from LFUCG used 8,142,982.04 cubic feet of water (60,913,740 gallons of water). The increase in the cost of treated sewage is \$12,214.47, resulting in a treated sewage adjustment factor of \$0.21 per 1,000 gallons.³

5. The treated sewage adjustment factor of \$0.21 per 1,000 gallons, as calculated in Appendix A to this Order, permits Jessamine-South Elkhorn District to pass through the increase in its wholesale rates from LFUCG and is fair, just, and reasonable and should be approved.

6. Jessamine-South Elkhorn District's proposed rates should be approved.

7. The rates as set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for sewer service rendered by Jessamine-South Elkhorn District on and after July 1, 2018.

IT IS THEREFORE ORDERED that:

1. The treated sewage adjustment factor of \$0.21 per 1,000 gallons is approved.

2. Jessamine-South Elkhorn District's proposed rates are approved.

³ Jessamine-South Elkhorn District's rates are calculated per 1,000 gallons. The treated sewage adjustment factor of \$0.15 per 100 cubic feet converts to a per-1000-gallons adjustment factor of \$0.21 ($\$0.15 \text{ per } 100 \text{ cubic feet} / .748 = \$0.21 \text{ per } 1,000 \text{ gallons}$).

3. The rates as set forth in Appendix B to this Order are approved for sewer service rendered on and after July 1, 2018.

4. Within 20 days of the date of this Order, Jessamine-South Elkhorn District shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

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By the Commission



ATTEST:


Executive Director

Case No. 2018-00239

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2018-00239 DATED **AUG 06 2018**

	New Rate	Base Rate
Jessamine-South Elkhorn District LFUCG		
Water consumption		
cubic feet	8,142,982.04	8,142,982.04
Volumetric rate	<u>\$ 6.12/100</u>	<u>\$ 5.97/100</u>
	\$ 498,350.50	\$ 486,136.03
Increased treated sewage cost		\$ 12,214.47
Increased cost		\$ 12,214.47
Divided by cubic feet of water sold/100		<u>8,142,982.82</u>
		\$0.15 per 100 cubic feet
		or \$0.2005 per 1,000 Gallons
		\$0.21 per 1,000 Gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2018-00239 DATED **AUG 06 2018**

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 Sewer Rates

First	2,000 Gallons	\$24.38 Minimum Bill
Over	2,000 Gallons	12.19 per 1,000 Gallons

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