

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SOUTH 641)	CASE NO.
WATER DISTRICT FOR A SEWER RATE)	2023-00051
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

NOTICE OF FILING OF COMMISSION STAFF'S REPORT

Notice is hereby given that, in accordance with the Commission's Order of March 9, 2023, as amended on July 11, 2023, the attached report containing the findings of Commission Staff regarding the Applicant's proposed rate adjustment has been filed in the record of the above-styled proceeding. Pursuant to the Commission's March 9, 2023, as amended on July 11, 2023 Order, South 641 Water District (South 641 District) is required to file written comments regarding the findings of Commission Staff no later than 14 days from the date of service of this report. The Commission directs South 641 District to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED JUL 21 2023

cc: Parties of Record

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

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COMMISSION STAFF'S REPORT
ON SOUTH 641 WATER DISTRICT

South 641 Water District (South 641 District) is a water utility organized pursuant to KRS Chapter 74 that owns and operates a water distribution system through which it provides retail wastewater service to approximately 175 residential customers, 22 commercial customers, and 6 tax-exempt/non-profit organizations in Calloway County, Kentucky.¹

On February 15, 2023,² South 641 District filed its application with the Commission requesting an adjustment to its sewer rates pursuant to 807 KAR 5:076. To comply with the requirements of 807 KAR 5:076, Section 9,³ South 641 District used the calendar year ended December 31, 2021,⁴ as the basis for its application. South 641 District's last base rate increase pursuant to the alternative rate filing procedure was in Case No. 2015-

¹ *Annual Report of South 641 Water District to the Public Service Commission for the Calendar Year Ended December 31, 2021* (2021 Annual Report) at 36.

² South 641 District tendered an application on February 14, 2023, and a corrected application on February 15, 2023. By letter dated February 16, 2023, the Commission accepted the application. The application is deemed filed on February 15, 2023.

³ The reasonableness of the proposed rates shall be determined using a 12-month historical test period, adjusted for known and measurable changes, that coincides with the reporting period of the applicant's annual report for the immediate past year.

⁴ Application, ARF Form-1, Item 9.

00278.⁵ To ensure the orderly review of the application, the Commission established a procedural schedule by Order dated March 9, 2023.⁶ Commission Staff's First Request for Information (Staff's First Request) was issued as an Appendix to the procedural schedule issued on March 9, 2023, with a response due date of April 10, 2023.⁷ Commission Staff's Second Request for Information (Staff's Second Request) was issued on April 24, 2023, with a response due date of May 8, 2023.⁸ The Commission amended the procedural schedule by Order dated July 11, 2023, to adjust the issue date of the Commission Staff Report from July 11, 2023, to July 27, 2023.⁹

DISCUSSION

Using its pro forma test-year operations, South 641 District determined that a base rate revenue increase of \$75,808 or 77.49 percent, was necessary to achieve the revenue requirement as shown in the table below.¹⁰

⁵ Case No. 2015-00278, *Application of South 641 Water District for Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Nov. 24, 2015).

⁶ Order (Ky. PSC Mar. 9, 2023), Appendix A.

⁷ March 9, 2023 Order, Appendix B, Staff's First Request.

⁸ Staff's Second Request (Ky. PSC Apr. 24, 2023).

⁹ Order (Ky. PSC July 11, 2023) at 2.

¹⁰ Application, Attachment #4 at 15.

	South 641 Water District (Sewer)
Pro Forma Operating Expenses	\$ 155,957
Operating Ratio	88%
Total Revenue Requirement	177,224
Less: Other Operating Revenue	(3,163)
Interest Income	(418)
Revenue Required From Sewer Sales	173,643
Less: Revenue from Sales with Present Rates	(97,835)
Required Revenue Increase	\$ 75,808
Percent Increase	77.49%

To determine the reasonableness of the rates requested by South 641 District, Commission Staff performed a limited financial review of South 641 District's test-year operations. The scope of Commission Staff's review was limited to determining whether operations reported for the test year were representative of normal operations. Known and measurable¹¹ changes to test-year operations were identified and adjustments made when their effects were deemed material. Insignificant and immaterial discrepancies were not necessarily pursued or addressed.

Commission Staff's findings are summarized in this report. Noah Abner reviewed the calculation of South 641 District's Overall Revenue Requirement, and Eddie Beavers reviewed South 641 District's reported revenues and rate design.

¹¹ Commission regulation 807 KAR 5:076, Section 9 sets the standard for the determination of the reasonableness of proposed rates and states, in pertinent part, that the test period shall be "adjusted for known and measurable changes." See also Case No. 2001-00211, *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); and Case No. 2017-00417, *Electronic Proposed Adjustment of the Wholesale Water Service Rates of Lebanon Water Works* (Ky. PSC July 12, 2018).

SUMMARY OF FINDINGS

1. Overall Revenue Requirement and Required Revenue Increase. By applying the Operating Ratio method, as generally accepted by the Commission, Commission Staff found that South 641 District's required revenue from sewer sales is \$167,899 to meet the Overall Revenue Requirement of \$170,984 and that a \$70,064 revenue increase, or 71.61 percent, to pro forma present rate revenues is necessary to generate the Overall Revenue Requirement.

2. Monthly Sewer Service Rates. South 641 District proposed to increase its monthly general sewer service rates by approximately 77.49 percent across the board for their metered customers and maintain the Flat Rate customers' current rate. South 641 District provided no additional explanation as to why it proposed no requested rate increase for the Flat Rate customers' rate. South 641 District has not performed a cost-of-service study (COSS). South 641 District stated that it did not complete a COSS at this time as there have been no material changes in the water system.¹²

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.¹³ Finding no such evidence in this case, Commission Staff followed the method previously accepted by the Commission and allocated the \$70,064 revenue increase evenly across the board to South 641 District's general sewer service

¹² South 641 District's Response to Staff's First Request, Item 11a.

¹³ Case No. 2021-00218, *Electronic Application of Madison County Utilities District for an Alternative Rate Adjustment* (Ky. PSC Jan 5, 2022), Order at 7.

rates. Commission Staff's recommendation for Flat Rate customer rates is discussed below.

The rates, which are set forth in the Appendix to this report, are based upon the revenue requirement, as calculated by Commission Staff, and will produce sufficient revenues from sewer sales to recover the \$167,899 Revenue Required from Rates.

Given the amount of the proposed rate increase, Commission Staff recommends a 3-year phase-in approach for South 641 District's and the Commission's consideration. The 3-year phase-in will not keep South 641 District from adequate full operation. Commission Staff included the Flat Rate Customers as well as the metered customers in the proposed phase in of the rates for which, the Flat Rate Customers were not included in the South 641 District's proposed a rate adjustment.

The rates set forth in the Appendix are based upon the revenue requirement the Commission Staff has calculated and will produce sufficient revenues from water sales to recover the \$167,899 Revenue Required From Rates, an approximate 71.61 percent increase. The rates in Phase 1, will increase a typical residential customer's monthly water bill from \$48.73 to \$60.37, an increase of \$11.64, or approximately 23.89 percent.¹⁴ The rates in Phase 2 will increase a typical residential customer's monthly water bill from Phase 1 rates of \$60.37 to \$72, an increase of \$11.63, or approximately 19.26 percent. The rates in Phase 3 will increase a typical residential customer's monthly water bill from Phase 2 rates of \$72 to \$83.65, an increase of \$11.65, or approximately 16.18 percent.

¹⁴ The typical residential customer uses approximately 4,000 gallons a month. The flat rate charge is based on 4,000 per month also.

3. Nonrecurring Charges. Following the Commission's recent decisions,¹⁵ Commission Staff has reviewed South 641 District's sewer nonrecurring charges. The Commission found that because South 641 District personnel are currently paid during normal business hours and the labor costs are recovered in rates, estimated labor costs previously included in determining the number of Nonrecurring Charges should be eliminated to avoid double recovery of the same expense. Commission Staff reviewed the cost justification information provided by South 641 District and adjusted these charges by removing Field Labor Costs and Office/Clerical Labor Costs from those charges which occur during normal business hours.¹⁶ The revisions that were provided included updating the wages for employees. The average hourly rate for the Field Labor Costs was approximately \$20.50 and the average hourly rate for the Office/Clerical Labor Costs was approximately \$20. The After Hour charges listed below include the Field Labor costs but the Office/Clerical Labor costs have been removed. The After Hours charges may be higher than the current charges as these are based upon the revised cost justification sheets filed in response to Staff's First Request. In their response to Staff's First Request, South 641 District filed revised cost justification sheets for their 5/8 x 3/4 – inch Tap Fees.

¹⁵ Case No. 2020-00141, *Electronic Application of Hyden-Leslie County Water District for an Alternative Rate Adjustment* (Ky. PSC Nov. 6, 2020) and Case No. 2020-00167, *Electronic Application of Ohio County Water District for an Alternative Rate Adjustment* (Ky. PSC Dec. 3, 2020), Case No. 2020-00196, *Electronic Application of West Daviess County Water District for an Alternative Rate Adjustment* (Ky. PSC Dec. 30, 2020), and Case No. 2020-00195 *Electronic Application of Southeast Daviess County Water District for an Alternative Rate Adjustment*, (Ky. PSC Dec. 30, 2020).

¹⁶ South 641 District's Response to Staff's First Request, Item 11.

Nonrecurring Charge Adjustments		
Service Connection/Reconnection Charge/Delinquent Charge		
	District Revised Charge	Staff Revised Charge
Field Labor \$20.50 at 1 hour	\$20.50	\$0.00
Office Labor \$21.00 at .5 hour	\$10.00	\$0.00
Office Supplies	\$3.00	\$3.00
Transportation	\$6.55	\$6.55
Total Revised Charge	\$40.05	*\$10.00
Current Rate	\$15.00	

Service Connection After Hours Charge		
	District Revised Charge	Staff Revised Charge
Field Labor \$30.75 at 1 hour	\$30.75	\$30.75
Office Labor \$30.00 at .5 hour	\$15.00	\$0.00
Office Supplies	\$3.00	\$3.00
Transportation	\$6.55	\$6.55
Total Revised Charge	\$55.30	*\$40.00
Current Rate	\$35.00	

Returned Check Charge		
	District Revised Charge	Staff Revised Charge
Office Labor \$20.00 at 1 hour	\$20.00	\$0.00
Bank Charges	\$30.00	\$30.00
Total Revised Charge	\$50.00	*\$30.00
Current Rate	\$25.00	

*Revised Charges are rounded to nearest whole number.

These adjustments result in the following revised nonrecurring charges:

Service Connection/Reconnection Charge	\$10.00
Service Connection Charge After Hours	\$40.00
Delinquent Service Charge	\$10.00
Returned Check Charge	30.00
Customer Deposits, Phase 1	\$120.00
Customer Deposits, Phase 2	\$144.00
Customer Deposits, Phase 3	\$167.00
Tap Fee	Actual Cost

	Current Rate	Total	Revised Rate	Adj	Pro Forma
Miscellaneous Service Revenues:					
Service Connection/Reconnection Charge	\$15.00	\$506	\$10.00	(\$169)	\$337
Service Connection Charge After Hours	\$35.00	\$0	\$40.00	\$0	\$0
Delinquent Service	\$15.00	\$0	\$10.00	\$0	\$0
Returned Check Charge	\$25.00	\$9	\$30.00	\$2	\$11
Total Miscellaneous Service Revenues		\$515		(\$167)	\$348

The revised nonrecurring charges result in a decrease to test year Other Water Revenues and an increase to the total revenue requirement of \$167 as explained in adjustment (A) below.

PRO FORMA OPERATING STATEMENT

South 641 District's Pro Forma Operating Statement for the test year ended December 31, 2021, as determined by Commission Staff, appears in the table on the next page.

	South 641 District		Commission Staff	Total		
	Test Year	Proposed Adjustments	Adjustments	Adjustments	(Ref.)	Pro Forma
Operating Revenues						
Sewage Service Revenues						
Flat Rate Revenues	\$ 1,170			\$ -		\$ 1,170
Metered Revenues	96,665			0		96,665
Total Sewage Service Revenues	97,835	0	0	0		97,835
Other Operating Revenues	3,163		(3,163)	(3,163)	(A)	0
Forfeited Discounts	0		2,620	2,620	(A)	2,620
Miscellaneous Service Revenues	0		543	543	(A)	
			(167)	(167)	(A)	
			(28)	(28)	(A)	348
Total Operating Revenues	100,998	0	(195)	(195)		100,803
Operating Expenses						
Operation and Maintenance Expenses						
Collection - Labor, Materials and Expenses	15,915	11,291	(6,966)	4,325	(B)	20,240
Pumping - Labor, Materials and Expenses	10,679		2,651	2,651	(B)	13,330
Treatment - Labor, Materials and Expenses	19,075	3,272		3,272	(C)	22,347
Fuel and Power Purchased	4,274	1,304		1,304	(D)	5,578
Chemicals	12,475	6,347		6,347	(E)	18,822
Customer Account Expenses						
Meter Reading and Flat Rate Inspections	3,072			0		3,072
Labor, Materials, and Expenses	3,402			0		3,402
Uncollectable Accounts	518			0		518
Administrative and General Expenses						
Salaries	3,048			0		3,048
Office Supplies and Other Expenses	5,256			0		5,256
Outside Services Employed	2,136			0		2,136
Insurance	3,915			0		3,915
Employee Pensions and Benefits	1,815	(104)		(104)	(F)	1,711
Regulatory Expense	345			0		345
Transportation Expense	2,654			0		2,654
Miscellaneous General Expenses	454			0		454
Maintenance of General Plant	465			0		465
Total Operation and Maintenance Expenses	89,498	22,110	(4,315)	17,795		107,293
Depreciation	44,289	(3,739)		(3,739)	(G)	40,550
Taxes Other Than Income	3,752	46	(1,175)	(1,129)	(B)	2,623
Total Operating Expenses	137,539	18,417	(5,490)	12,927		150,466
Net Operating Income	(36,541)	(18,417)	5,295	(13,122)		(49,663)
Interest Income	418	0	(301)	(301)	(1)	117
Income Available to Service Debt	\$ (36,123)	\$ (18,417)	\$ 4,994	\$ (13,423)		\$ (49,546)

(A) Miscellaneous Service Revenues and Other Water Revenues. In its application, South 641 District did not propose any adjustment to Miscellaneous Service Revenues and Other Water Revenues, which totaled \$3,163. In response to Staff's First Request, South 641 District stated, the Forfeited Discounts were erroneously reported as Other Operating Revenue and should have been reported in Forfeited Discounts in the amount of \$2,620. Commission Staff reclassified the amount from Other Operating

Revenues to Forfeited Discounts. The adjustment to reduce nonrecurring charges by \$167 and the misreported \$28 from nonoperating revenues and misstated revenues were also removed.

The total proposed adjustments made by Commission Staff result in a pro forma amount of \$348 as shown previously. Commission Staff recommends that the Commission approve these adjustments.

(B) Salary and Wages. In its application South 641 District proposed an increase of \$11,291 to Collection - Labor, Materials and Expenses and an increase of \$46 Taxes Other Than Income to reflect an increase in salary and wages.¹ In its response to Staff's First Request South 641 District provided two conflicting separate total pro forma salary and wage amounts for its water and sewer operations. The first amount of \$101,459 was in South 641 District's Rate Study document² and the second amount of \$90,118 was in South 641 District's Job Titles and FICA document.³ Commission Staff noted that the pro forma salary and wage amount of \$101,459 did not include all seven employees. Commission Staff also noted that the \$90,118 pro forma salary and wage amount includes all employees but has lower wage rates. Commission Staff used the \$90,118 total salary and wages expense that included all employees in the calculation of its adjustment.

In its response to Staff's First Request, South 641 District provided an expense allocation of 38.05 percent to sewer and a test year salary and wages expense for sewer

¹ Application, Attachment 4, Statement of Adjusted Operations, References, Adjustment B and H.

² South 641 District's Response to Staff's First Request, Item 5, 5_Rate_Study.xlsx.

³ South 641 District's Response to Staff's First Request, Item 2, 2_Job_Titles_and_FICA.xlsx.

of \$27,312.⁴ In its response to Staff's Second Request, South 641 District provided an allocation of sewer salary expense between Collection - Labor, Materials and Expenses of 62 percent and Pumping - Labor, Materials and Expenses of 38 percent.⁵

Using this information from above and the tables below Commission Staff calculated a \$4,325 increase in Collection - Labor, Materials and Expenses, a \$2,651 increase in Pumping - Labor, Materials and Expenses, and a \$1,129 decrease in Taxes Other Than Income. Commission Staff recommends that the Commission approve these adjustments.

Description	%	South 641	Commission Staff
Water & Sewer Pro Forma Salaries & Wages		\$ 101,459	\$ 90,118
Sewer Expense Allocation Percentage		38.05%	38.05%
Pro Forma Salaries & Wages Expense Sewer		38,603	34,288
Less: Test Year Salaries & Wages Expense Sewer		(27,312)	(27,312)
Total Adjustment		<u>\$ 11,291</u>	<u>\$ 6,976</u>
Collection Adjustment	62%	<u>\$ 11,291</u>	<u>\$ 4,325</u>
Pumping Adjustment	38%	<u>\$ -</u>	<u>\$ 2,651</u>
Pro Forma Salaries & Wages Expense Sewer		\$ 34,288	
Times: 7.65 Percent FICA Rate		7.65%	
Pro Forma Taxes Other Than Income		2,623	
Less: Test Year Taxes Other Than Income Sewer		(3,752)	
Taxes Other Than Income - Sewer Adjustment		<u>\$ (1,129)</u>	

(C) Treatment - Labor, Materials and Expenses. In its application, South 641 District proposed an increase of \$3,272 to Treatment - Labor, Materials and Expenses to

⁴ South 641 District's Response to Staff's First Request, Item 2, 2_Job_Titles_and_FICA.xlsx.

⁵ South 641 District's Response to Staff's Second Request, Items 4 and 9.

reflect the increase in the cost of sewer testing.⁶ Commission Staff reviewed South 641 District's calculations and evidence⁷, and agrees that the proposed adjustment meets the ratemaking criteria of being known and measurable and Commission Staff included the increase in its pro forma operating expenses.

(D) Fuel and Power Purchased. In its application South 641 District proposed an increase of \$1,304 to Fuel and Power Purchased to reflect an increase in the cost of natural gas.⁸ Commission Staff reviewed South 641 District's calculations and evidence,⁹ and agrees that the proposed adjustment meets the ratemaking criteria of being known and measurable and Commission Staff included the increase in its pro forma operating expenses.

(E) Chemicals. In its application South 641 District proposed an increase of \$6,347 to Chemicals to reflect the increase in cost of treatment chemical expenses.¹⁰ Commission Staff reviewed South 641 District's calculations and evidence¹¹, and agrees that the proposed adjustment meets the ratemaking criteria of being known and measurable and Commission Staff included the increase in its pro forma operating expenses.

(F) Employee Pensions and Benefits. In its application, South 641 District proposed a decrease of \$104 to Employee Pensions and Benefits expense to be

⁶ Application, Attachment 4, Statement of Adjusted Operations, References, Adjustment C.

⁷ South 641 District's Response to Staff's First Request, Item 5, 5_Rate_Study.xlsx.

⁸ Application, Attachment 4, Statement of Adjusted Operations, References, Adjustment D.

⁹ South 641 District's Response to Staff's First Request, Item 5, 5_Rate_Study.xlsx.

¹⁰ Application, Attachment 4, Statement of Adjusted Operations, References, Adjustment E.

¹¹ South 641 District's Response to Staff's First Request, Item 5, 5_Rate_Study.xlsx.

consistent with the Bureau of Labor Statistics' national average for an employer's share of health insurance premiums.¹² Commission Staff reviewed South 641 District's calculations and evidence¹³, and agrees that the proposed adjustment meets the ratemaking criteria of being known and measurable and Commission Staff included the increase in its pro forma operating expenses.

(G) Depreciation. In its application, South 641 District proposed a decrease of \$3,739 to Depreciation expense to reflect adjustments of asset service lives to the midpoint of service life range set forth in the National Association of Regulatory Utility Commissioners (NARUC) publication titled, "Average Service Lifetimes, Major Systems Components – Wastewater Systems" (NARUC Study).¹⁴ To evaluate the reasonableness of the depreciation practices of sewer utilities, the Commission has historically relied upon the NARUC Study. When no evidence exists to support a specific life that is outside the NARUC ranges, the Commission has historically used the midpoint of the NARUC ranges to depreciate the utility plant. In this proceeding, Commission Staff found no evidence to support depreciable lives that vary significantly from the midpoint of the NARUC ranges. Therefore, Commission Staff agrees with South 641 District's proposed adjustment and decreased pro forma Depreciation expense \$3,739 accordingly.

¹² Application, Attachment 4, Statement of Adjusted Operations, References, Adjustment F.

¹³ South 641 District's Response to Staff's First Request, Item 5, 5_Rate_Study.xlsx.

¹⁴ Application, Attachment 4, Statement of Adjusted Operations, References, Adjustment G.

OVERALL REVENUE REQUIREMENT AND
REQUIRED REVENUE INCREASE

The Operating Ratio methodology is used when there is no basis for a rate of return determination, the cost of the utility has fully or largely been funded through contributions, or there is little or no outstanding long-term debt. Commission Staff finds the Operating Ratio method is appropriate for South 641 District because it has no debt. Commission Staff is of the opinion that an operating ratio of 88 percent will allow South 641 District sufficient revenues to cover its operating expenses and provide for reasonable equity growth.

By applying the operating ratio method, Commission Staff determined the South 641 District Overall Revenue Requirement to be \$170,984. Commission Staff calculated a revenue increase of \$70,064, or 71.61 percent, is necessary to generate the Overall Revenue Requirement. Commission Staff's calculation of the Overall Revenue Requirement and the Required Revenue Increase using the Operating Ratio method is shown below.

	South 641 Water District (Sewer)	Commission Staff
Pro Forma Operating Expenses	\$ 155,957	\$ 150,466
Operating Ratio	88%	88%
Total Revenue Requirement	177,224	170,984
Less: Other Operating Revenue	(3,163)	(2,968)
Interest Income	(418)	(117) (1)
Revenue Required From Sewer Sales	173,643	167,899
Less: Revenue from Sales with Present Rates	(97,835)	(97,835)
Required Revenue Increase	<u>\$ 75,808</u>	<u>\$ 70,064</u>
Percent Increase	<u>77.49%</u>	<u>71.61%</u>

1. Interest Income. Commission Staff noted interest income of \$117 during its review of South 641 District's 2021 Annual Report.¹⁵ Commission Staff decreased Interest Income by \$301 to correct South 641 District's Interest Income to what was reported in the test year. Commission Staff recommends that the Commission approve this adjustment.

¹⁵ 2021 Annual Report at 26.

Signatures

/s/ Noah Abner

Prepared by: Noah Abner
Revenue Requirement Branch
Division of Financial Analysis

/s/ Eddie Beavers

Prepared by: Eddie Beavers
Rate Design Branch
Division of Financial Analysis

APPENDIX

APPENDIX TO COMMISSION STAFF'S REPORT OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2023-00051 DATED JUL 21 2023

The following sewer rates and charges are prescribed for the customers in the area served by South 641 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

Phase 1

Metered Customers

Customer Charge \$ 30.93 Minimum Bill
All Volume .00736 Per Gallon

Unmetered Customers

Flat Rate Charge \$ 60.36 Minimum Bill

Phase 2

Metered Customers

Customer Charge \$ 36.90 Minimum Bill
All Volume .00877 Per Gallon

Unmetered Customers

Flat Rate Charge \$ 72.00 Minimum Bill

Phase 3

Metered Customers

Customer Charge \$ 42.86 Minimum Bill
All Volume .01019 Per Gallon

Unmetered Customers

Flat Rate Charge \$ 83.62 Minimum Bill

Sewer Nonrecurring Rates

Service Connection/Reconnection Charge	\$10.00
Service Connection Charge After Hours	\$40.00
Delinquent Service Charge	\$10.00
Returned Check Charge**	\$30.00

Customer Deposits – Phase 1	\$120.00
Customer Deposits – Phase 2	\$144.00
Customer Deposits – Phase 3	\$167.00
Tap Fee	Actual Cost

NOTE:** South 641 District allocates the Returned Check Charge for Customers of both the Water and the Wastewater Division.

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