

Hinton, Daniel E (PSC)

From: Brown, Katelyn
Sent: Tuesday, January 22, 2019 12:52 PM
To: PSC - Tariffs
Subject: RE: Elizabethtown Contract Filing

Daniel,

Here are the answers to the two questions you asked me over the phone:

1. When will Hardin County file their initial rates?

Hardin District plans to file the initial rates by the end of February.

The sewer rates will be based on water usage. The proposed minimum sewer bill will be \$30.00 for 2,000 gallons of water usage. All usage over 2,000 gallons will be billed at \$10.00 per 1,000 gallons. The average residential water customer in Glendale uses slightly less than 4,000 gallons per month. Thus, the average residential sewer bill will be slightly less than \$50.00.

Hardin District is still trying to determine the amount of the tap fee.

2. Will the \$200,000 incentive apply to both residential and commercial customers?

Yes. Hardin District plans to offer this incentive to all customers.

Thanks,
Katelyn Brown

Hinton, Daniel E (PSC)

From: Brown, Katelyn
Sent: Tuesday, January 22, 2019 11:15 AM
To: PSC - Tariffs
Subject: RE: Elizabethtown Contract Filing

Daniel,

Please see below for answers to each question.

Q: I know Hardin No. 2 has not filed its rate schedules yet, but from your comment below, I assume Hardin No. 2 will be proposing to pass the capacity fee on to the customers that connect to the system. Is that correct?

A: Yes.

Q: If so, would this be a one-time payment too or would the customers be allowed to pay it over a period of time?

A: It will be a one-time payment.

Q: Will this be in addition to a tap-on fee?

A: Yes.

Q: If they are proposing to pass the capacity fee on to the customers that connect, have those potential customers been notified that they will be required to pay a capacity fee (and a tap-on fee if the answer to the previous question is yes)? If so, how were the customers notified?

A: As an incentive, Hardin District plans to utilize a portion of the grant funds to pay both the Capacity Fee and the Tap-on Fee for all customers who sign a Sewer User Agreement with the District and connect to the sewer system while the Project is under construction. The Project Budget includes \$200,000 for payment of the Capacity Fees and Tap-on Fees. This sum is more than sufficient to pay the Capacity Fees and Tap-on Fees for the initial 40 to 50 customers who plan to connect to the sewer system as soon as it is made available to them.

Hardin District has conducted three (3) public meetings in Glendale concerning this Project. All of these public meetings were very well attended. During the last two (2) public meetings, it was announced that the initial customers would not have to pay the Elizabethtown Capacity Fee or a Tap-on Fee. This was well received by the potential customers.

A customer who declines to take advantage of the free Capacity Fees and Tap-on Fees and chooses to wait until after the completion of the Project to connect to the sewer system will have to pay the Capacity Fees and the Tap-on Fees. This has been made clear in the public meetings. In addition, Hardin District staff plans to go door-to-door in the near future (as soon as the proposed Sewer User Agreement and initial Rates have been submitted to, and approved by, the PSC) and discuss these matters with all residents of the Glendale Service Area.

Thanks,
Katelyn

From: PSC - Tariffs [mailto:psc.tariffs@ky.gov]
Sent: Friday, January 18, 2019 7:08 AM
To: Brown, Katelyn
Subject: RE: Elizabethtown Contract Filing

I know Hardin No. 2 has not filed its rate schedules yet, but from your comment below, I assume Hardin No. 2 will be proposing to pass the capacity fee on to the customers that connect to the system. Is that correct?

If so, would this be a one-time payment too or would the customers be allowed to pay it over a period of time?

Will this be in addition to a tap-on fee?

If they are proposing to pass the capacity fee on to the customers that connect, have those potential customers been notified that they will be required to pay a capacity fee (and a tap-on fee if the answer to the previous question is yes)? If so, how were the customers notified?

Thanks

Daniel

From: Brown, Katelyn
Sent: Wednesday, January 16, 2019 9:42 AM
To: PSC - Tariffs <psc.tariffs@ky.gov>
Subject: RE: Elizabethtown Contract Filing

Good morning Daniel,

Yes, Elizabethtown customers pay an impact fee, which is identical to the fee Hardin County Water District No. 2 customers will be paying.

Thanks,
Katelyn Brown

From: PSC - Tariffs [mailto:psc.tariffs@ky.gov]
Sent: Tuesday, January 15, 2019 10:39 AM
To: Brown, Katelyn
Subject: RE: Elizabethtown Contract Filing

Are the capacity fees paid by their retail customers/developers the same as what in the Hardin No. 2 contract?

From: Brown, Katelyn
Sent: Tuesday, January 15, 2019 10:03 AM
To: PSC - Tariffs <psc.tariffs@ky.gov>
Subject: RE: Elizabethtown Contract Filing

Good morning Daniel,

Yes. Any new Elizabethtown retail customer (residential, commercial, or industrial) must pay a Capacity Fee. In addition, Elizabethtown requires the developer of any new subdivision to pay a Capacity Fee based upon the number of residential lots in the proposed subdivision.

Please let me know if you need anything else.

Thanks,
Katelyn Brown

From: PSC - Tariffs [<mailto:psc.tariffs@ky.gov>]
Sent: Tuesday, January 15, 2019 8:28 AM
To: Brown, Katelyn
Subject: RE: Elizabethtown Contract Filing

Do Elizabethtown's retail customers also pay capacity fees?

Thanks.

Daniel

From: Brown, Katelyn
Sent: Friday, January 11, 2019 10:52 AM
To: PSC - Tariffs <psc.tariffs@ky.gov>
Subject: RE: Elizabethtown Contract Filing

Good morning Daniel,

Responses to the questions you asked on Wednesday afternoon concerning the Elizabethtown Contract Filing are below:

1.a. Elizabethtown's average daily flow into the Valley Creek WWTP for calendar year 2018 was approximately 7.0 million gallons per day. Thus, it has a reserve capacity of approximately 6.0 million gallons per day.

1.b. Hardin County Water District No. 2 expects to discharge approximately 63,000 gallons of wastewater per day to Elizabethtown's Valley Creek WWTP. This number is based upon the average daily water usage records of those current water customers that plan to connect to the District's wastewater collection and conveyance system. This daily volume from the District represents about 1% of the reserve capacity of the Valley Creek WWTP.

Please let me know if you need anything else.

Thanks,
Katelyn Brown

From: PSC - Tariffs [<mailto:psc.tariffs@ky.gov>]
Sent: Wednesday, January 09, 2019 3:11 PM
To: Brown, Katelyn
Subject: Elizabethtown Contract Filing

Ms. Brown,

Commission Staff has a couple of questions regarding the contract between Elizabethtown and Hardin County Water District No. 2.

1. The contract states that the VCWWTP has the capacity to treat 13,000,000 gallons per day.
 - a. How much of that 13,000,000 gallons per day is currently being used?

- b. How much capacity does Elizabethtown expect Hardin County Water District No. 2 to need once they come online?

The responses can be e-mailed to me at psc.tariffs@ky.gov.

If you have any questions, please give me a call at (502) 782-2626 or respond to this e-mail.

Thanks.

Daniel