

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT            )  
FILING OF WEST SHELBY WATER         ) CASE NO. 2011-00175  
DISTRICT                                     )

ORDER

On May 18, 2011, West Shelby Water District (“West Shelby”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.<sup>1</sup> Finding that the application failed to meet the requirements of 807 KAR 5:068, the Executive Director rejected it. On June 3, 2011, West Shelby submitted a revised application that met all statutory and regulatory requirements and that the Commission accepted for filing.

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

1. West Shelby purchases water from Louisville Water Company (“Louisville”) and Shelbyville Municipal Water and Sewer Commission (“Shelbyville”).
2. Louisville notified West Shelby that, effective July 1, 2011, its volumetric wholesale rate to West Shelby would increase from \$1.71 per 1,000 gallons to \$1.87 per 1,000 gallons and its meter charge for its two meters would increase from \$268.38 per month to \$327.28 per month.
3. West Shelby proposed a purchased water adjustment factor of \$0.1216 per 1,000 gallons.

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<sup>1</sup> KRS 278.015; 807 KAR 5:068.

4. During the 12 months ending April 30, 2011, West Shelby purchased 215,219,000 gallons of water from Louisville and 74,049,600 gallons of water from Shelbyville and sold 261,352,000 gallons of water.

5. In its application, West Shelby incorrectly calculated the increase in the cost of purchased water and the calculation of the purchased water factor. The increase in the cost of purchased water is \$35,141.84, which produces a purchased water adjustment factor of \$0.14 per 1,000 gallons.

6. West Shelby's proposed rates should be denied.

7. The purchased water adjustment factor of \$0.14 per 1,000 gallons is fair, just, and reasonable and should be approved.

8. The rates set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for water service that West Shelby renders on and after July 15, 2011.

IT IS THEREFORE ORDERED that:


1. West Shelby's proposed rates are denied.

2. The purchased water adjustment factor of \$0.14 per 1,000 gallons as calculated in Appendix A is approved.

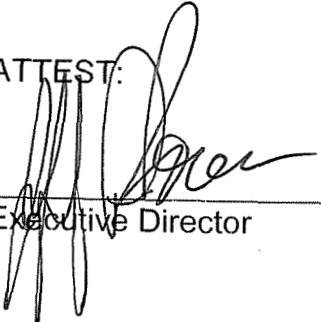
3. The rates in Appendix B are approved for service rendered on or after July 15, 2011.

4. Within 20 days of the date of this Order, West Shelby shall file revised tariff sheets with the Commission showing the rates approved herein and reflecting that they were approved by this Order.

By the Commission

ENTERED   
JUN 24 2011  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
\_\_\_\_\_  
Executive Director

Case No. 2011-00175

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2011-00175 DATED **JUN 24 2011**

|                                       | New Rate                         | Base Rate                        |
|---------------------------------------|----------------------------------|----------------------------------|
| Louisville                            |                                  |                                  |
| Purchases in gallons                  | 215,219,000                      | 215,219,000                      |
| Volumetric rate                       | <u>\$1.87 /1,000</u>             | <u>\$ 1.71/1,000</u>             |
|                                       | \$402,459.53                     | \$368,024.49                     |
| Meter Charge, 2 Meters<br>x 12 Months | \$327.28<br><u>          x12</u> | \$268.38<br><u>          x12</u> |
|                                       | \$3,927.36                       | \$3,220.56                       |
| Shelbyville                           |                                  |                                  |
| Purchases in gallons                  | 74,049,600                       | 74,049,600                       |
| Volumetric rate                       | No change                        | No Change                        |
| Increased water cost                  | \$35,141.84                      |                                  |
| Increased water cost                  |                                  | \$35,141.84                      |
| Divided by gallons sold               |                                  | <u>261,352,000</u>               |
| Purchased water adjustment factor     |                                  | \$0.14 per 1,000 gallons         |

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2011-00175 DATED JUN 24 2011

The following rates and charges are prescribed for the customers in the area served by West Shelby Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

#### Monthly Water Rates

##### 5/8" Meter

|       |                 |         |                   |
|-------|-----------------|---------|-------------------|
| First | 2,500 gallons   | \$17.02 | Minimum Bill      |
| Next  | 7,500 gallons   | 4.98    | per 1,000 gallons |
| Next  | 20,000 gallons  | 4.66    | per 1,000 gallons |
| Next  | 200,000 gallons | 4.25    | per 1,000 gallons |
| Over  | 230,000 gallons | 3.84    | per 1,000 gallons |

##### 3/4" Meter

|       |                 |         |                   |
|-------|-----------------|---------|-------------------|
| First | 3,500 gallons   | \$21.99 | Minimum Bill      |
| Next  | 6,500 gallons   | 4.98    | per 1,000 gallons |
| Next  | 20,000 gallons  | 4.66    | per 1,000 gallons |
| Next  | 200,000 gallons | 4.25    | per 1,000 gallons |
| Over  | 230,000 gallons | 3.84    | per 1,000 gallons |

##### 1" Meter

|       |                 |         |                   |
|-------|-----------------|---------|-------------------|
| First | 5,000 gallons   | \$29.47 | Minimum Bill      |
| Next  | 5,000 gallons   | 4.98    | per 1,000 gallons |
| Next  | 20,000 gallons  | 4.66    | per 1,000 gallons |
| Next  | 200,000 gallons | 4.25    | per 1,000 gallons |
| Over  | 230,000 gallons | 3.84    | per 1,000 gallons |

##### 1 1/2" Meter

|       |                 |         |                   |
|-------|-----------------|---------|-------------------|
| First | 10,000 gallons  | \$54.37 | Minimum Bill      |
| Next  | 20,000 gallons  | 4.66    | per 1,000 gallons |
| Next  | 200,000 gallons | 4.25    | per 1,000 gallons |
| Over  | 230,000 gallons | 3.84    | per 1,000 gallons |

2" Meter

|       |                 |         |                   |
|-------|-----------------|---------|-------------------|
| First | 16,000 gallons  | \$82.33 | Minimum Bill      |
| Next  | 14,000 gallons  | 4.66    | per 1,000 gallons |
| Next  | 200,000 gallons | 4.25    | per 1,000 gallons |
| Over  | 230,000 gallons | 3.84    | per 1,000 gallons |

3" Meter

|       |                 |          |                   |
|-------|-----------------|----------|-------------------|
| First | 30,000 gallons  | \$147.57 | Minimum Bill      |
| Next  | 200,000 gallons | 4.25     | per 1,000 gallons |
| Over  | 230,000 gallons | 3.84     | per 1,000 gallons |

4" Meter

|       |                 |          |                   |
|-------|-----------------|----------|-------------------|
| First | 50,000 gallons  | \$232.57 | Minimum Bill      |
| Next  | 180,000 gallons | 4.25     | per 1,000 gallons |
| Over  | 230,000 gallons | 3.84     | per 1,000 gallons |

6" Meter

|       |                 |          |                   |
|-------|-----------------|----------|-------------------|
| First | 100,000 gallons | \$445.07 | Minimum Bill      |
| Next  | 130,000 gallons | 4.25     | per 1,000 gallons |
| Over  | 230,000 gallons | 3.84     | per 1,000 gallons |

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