

North Shelby Water Company

PO Box 97

Bagdad, KY 40003

Toll Free 1-800-870-4148

(502) 747-8942

Fax: (502) 747-5048

Case No. 2017-00220

Jerry Ruble, President

Lloyd Eades, Vice President

Tom Miginnis, Secretary/Treasurer

Kevin Armstrong, Director

James Anglin, Director

Herb McCoun, Director

Bryan Franklin, Director

Jim Smith, Director

May 31, 2017

Ms. Talina Mathews

Executive Director

KY Public Service Commission

PO Box 615

Frankfort, KY 40602

RECEIVED

MAY 26 2017

PUBLIC SERVICE
COMMISSION

RE: Formal Application to Increase Rates Pursuant to
Purchased Water Adjustment Regulation 807 KAR 5:068

Dear Ms. Mathews:

The North Shelby Water Company respectfully requests that the Commission allow for an adjustment to our rates in accordance with 807 KAR 5:068 Purchased Water Adjustment clause.

The Company was recently notified by its supplier, Louisville Water Company, that it will increase meter service charges by \$28.50 per month and wholesale rates by \$0.05 per 1000 gallons. These increases will take effect July 1, 2017. The Company was also notified in December 2016, by another supplier, the Shelbyville Municipal Water & Sewer Commission, that it would increase its wholesale rates by \$0.066 per 1000 gallons. This increase took effect on January 19, 2017. The combined result of these increases is \$21,080.74 in additional yearly supply cost for the Company. This translates into \$0.06 per 1000 gallons of water sold to our customers. Therefore, we propose to increase our rates by that amount.

The following supporting documentation is enclosed for your review:

Exhibit A – Purchase Water Rate Adjustment

Exhibit B – Copy of Louisville Water Company's Notice of an Increase in Wholesale Rates

Exhibit C – Copy Shelbyville Municipal Water & Sewer Commission's Notice of an Increase in Wholesale Rates

Exhibit D – Statement of Water Purchased

Exhibit E – Statement of Water Sold

Exhibit F – Notice to Customers

Exhibit G – Revised Tariff Sheet

Exhibit H – An executed copy of the Resolution of the Board of Directors formally authorizing the proposed rates.

The Notice to Customers will be published in accordance with Commission regulations and verification of its publication will be provided to the Commission.

Should you have any questions please contact Lee Mudd at (502) 839-1310, as he is handling this matter on behalf of the Company.

Sincerely,



Jerry Ruble, President

JR/jlm

**PURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND ASSOCIATIONS
(807 KAR 5:068)**

RECEIVED

Name of Utility	North Shelby Water Company	MAY 26 2017
Date	5/31/2017	PUBLIC SERVICE COMMISSION
Address	P.O. Box 97	
City, State, Zip	Bagdad, Kentucky	40003
Telephone Number	(502) 747-8942	

1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

Supplier(s)	Base Rate	Changed Rate
Louisville Water Company	Monthly Meter Service Charge: \$997.50 (Two (2) – 3" meters @ \$183.75 per meter) (Two (2) – 4" meters @ \$315.00 per meter) Rate per 1000 gallons: \$1.85 Elevated Area Surcharge per 1000 gallons: \$0.35	Monthly Meter Service Charge: \$1,026.00 (Two (2) – 3" meters @ \$189.00 per meter) (Two (2) – 4" meters @ \$324.00 per meter) Rate per 1000 gallons: \$1.88 Elevated Area Surcharge per 1000 gallons: \$0.37
Shelbyville Municipal Water & Sewer Commission	Rate per 1000 gallons: \$1.894	Rate per 1000 gallons: \$1.96
Frankfort Electric & Water Plant Board	Rate per 1000 gallons: \$2.45 KRA Withdraw Fee per 1000 gallons: \$0.20	No Change
West Shelby Water District	Rate per 1000 gallons: \$7.54	No Change

1.b. A copy of the supplier's notice of the changed rates showing the effective date of the increases are attached as Exhibit B (Louisville Water Company) and Exhibit C (Shelbyville Municipal Water & Sewer Commission).

2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From	May 2016	through	April 2017
	(month and year)		(month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
Louisville Water Company	272,101,000
Shelbyville Municipal Water & Sewer Commission	108,086,200
Frankfort Electric & Water Plant Board	64,370,000
West Shelby Water District	0
TOTAL PURCHASES	444,557,200

4. Total sales for the 12 month period 357,767,800

5. Increased water cost \$21,080.74

The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

6. Purchased water adjustment factor \$0.06

The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.

Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.

7. Proposed effective date July 1, 2017



Signature of Utility Officer

President

Title

Increased Water Cost Calculation:

Louisville Water Company

$$(12 \times \$1,026.00) + (272,101 \times \$2.25) = \$624,539.25$$

$$(12 \times \$997.50) + (272,101 \times \$2.20) = \$610,592.20$$

$$\text{Increased Water Cost} = \$13,947.05$$

Shelbyville Municipal Water & Sewer Commission

$$108,086.2 \times \$1.96 = \$211,848.95$$

$$108,086.2 \times \$1.894 = \$204,715.26$$

$$\text{Increased Water Cost} = \$7,133.69$$

Total Increased Water Cost

$$\$13,947.05 + \$7,133.69 = \$21,080.74$$

Purchased Water Adjustment Factor Calculation:

$$\text{Increased Cost of Water} = \$21,080.74$$

$$\text{Total Gallons Sold} = 357,767,800$$

$$\$21,080.74 / 357,767.8 = \$0.06 \text{ per } 1000 \text{ Gallons}$$

NOTICE

Notice is hereby given that the Louisville Water Company ("LWC") plans to file with the Public Service Commission ("PSC") on or before March 31, 2017 to increase its rates for wholesale water service to North Shelby Water Company effective July 1, 2017. The proposed rates are as follows:

	<u>Current Rate</u>	<u>New Rate</u>	<u>\$ Change</u>	<u>% Change</u>
Monthly Service Charge (Per Meter)				
3" Meter	\$183.75	\$189.00	\$5.25	2.8%
4" Meter	\$315.00	\$324.00	\$9.00	2.8%
Commodity Rate (per 1,000 gallons)				
Volume Charge (per 1,000 gallons)	\$1.85	\$1.88	\$0.03	1.6%
Elevated Service Area Surcharge				
(per 1,000 gallons)	<u>0.35</u>	<u>0.37</u>	<u>0.02</u>	<u>5.4%</u>
Total Commodity Rate (per 1,000 gallons)	\$2.20	\$2.25	\$0.05	\$2.3%

The rates contained in this notice are the rates proposed by LWC but the PSC may order rates to be charged that differ from the proposed rates contained in this notice.

Any person may examine this filing by visiting LWC's office located at 550 S. 3rd Street in Louisville, Kentucky or by contacting Michael Tigue at the same address as above or by phone at 502-569-0808.

The filing may also be examined at the offices of the PSC located at 211 Sower Boulevard in Frankfort, Kentucky, Monday through Friday from 8:00am to 4:30pm or through the PSC website at <http://psc.ky.gov>.

Comments regarding the filing may be submitted to the PSC through its website or by mail to Public Service Commission, Post Office Box 615, Frankfort, KY 40602.

A timely written request for intervention that establishes grounds for the request may also be submitted to the PSC. The PSC may take final action on the filing if a written request for intervention is not received within 30-days of the date notice was given.

NOTICE

The Shelbyville Municipal Water & Sewer Commission (SMW&SC) is providing notice that on November 21, 2016 it approved a proposed increase in rates, including wholesale rates, and recommended these changes to the City Council. On November 28, 2016, The SMWSC filed with the Public Service Commission to increase the wholesale rates it charges North Shelby Water Company and U.S.60 Water District of Shelby and Franklin Counties effective for water service rendered on and after January 19, 2017. The proposed rates are as follows:

	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>	<u>\$ Change</u>	<u>% Change</u>
North Shelby Water Company	\$1.894 per 1,000 gallons	\$1.960 per 1,000 gallons.	\$0.066 per 1,000 gallons	3.48 % increase
U.S. 60 Water District of Shelby and Franklin Counties, Kentucky	\$1.894 per 1,000 gallons	\$1.960 per 1,000 gallons	\$0.066 per 1,000 gallons	3.48 % increase

The Shelbyville City Council shall have the 1st hearing on Dec.1, 2016 and 2nd hearing on Dec.15,2016

Water flowing through the meter(s) before the effective date will be charged at the current rates while water is flowing through the meter(s) on and after the effective date will be charged at the proposed rates.

This filing may be examined at the Offices of SMW&SC located at 1059 Washington St. in Shelbyville, KY.

This filing may also be examined at the offices of the Public Service Commission located at 211 Sower Boulevard in Frankfort, Kentucky, Monday-Friday from 8:00 am-4:30 pm or on the PSC website at <http://psc.ky.gov>.

Comments regarding this filing may be submitted by mail to the Public Service Commission, Post Office Box 615, Frankfort KY 40602; or through its website at <http://psc.ky.gov>.

The Rates contained in this NOTICE are the rates proposed by the "SMW&SC" but the Public Service Commission may order rates that differ from the proposed rates.

Intervention may be requested by submitting a timely written request for intervention by mail to the Public Service Commission, Post Office Box 615, Frankfort, KY 40602. The request for intervention must establish the grounds for the request including the status and interest of the party.

If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the providing of this notice, the Public Service Commission may take final action on the filing.

RATEINCREASENOTICEFOR2017NORTHSHELBYANDUS60E

**STATEMENT OF WATER PURCHASED
NORTH SHELBY WATER COMPANY**

LOUISVILLE WATER COMPANY

Month	Usage/Gallons	Total Cost
May 2016	22,280,000	48,934.74
June	19,761,000	46,617.76
July	36,020,000	78,968.22
August	18,152,000	40,607.78
September	21,676,000	48,605.44
October	29,102,000	65,139.42
November	21,800,000	48,878.24
December	20,301,000	45,646.02
January	20,976,000	47,206.99
February	23,598,000	53,020.26
March	19,338,000	43,461.84
April 2017	19,097,000	42,931.64
TOTAL	272,101,000	\$610,018.35

SHELBYVILLE MUNICIPAL WATER & SEWER COMMISSION

Month	Usage/Gallons	Total Cost
May 2016	8,012,600	15,175.86
June	7,663,000	14,513.72
July	10,596,200	20,069.21
August	10,321,400	19,548.74
September	10,112,000	19,152.13
October	10,292,000	19,493.05
November	9,214,700	17,452.64
December	9,424,200	17,849.43
January	7,840,800	14,850.48
February	8,739,100	16,551.86
March	8,121,900	15,918.93
April 2017	7,748,300	15,186.67
TOTAL	108,086,200	\$205,762.72

FRANKFORT ELECTRIC & WATER PLANT BOARD

Month	Usage/Gallons	Total Cost
May 2016	5,120,000	13,056.00
June	4,510,000	11,500.50
July	4,640,000	11,832.00
August	7,445,000	18,984.75
September	5,360,000	13,688.00
October	5,845,000	14,904.75
November	6,240,000	15,912.00
December	4,770,000	12,163.50
January	5,215,000	13,802.93
February	5,940,000	15,741.00
March	5,165,000	13,687.25
April 2017	4,120,000	10,918.00
TOTAL	64,370,000	\$166,190.68

WEST SHELBY WATER DISTRICT

Month	Usage/Gallons	Total Cost
September 2015	0	\$0.00
October	0	0.00
November	0	0.00
December	0	0.00
January	0	0.00
February	0	0.00
March	0	0.00
April	0	0.00
May	0	0.00
June	0	0.00
July	0	0.00
August 2016	0	0.00
TOTAL	0	\$0.00

**STATEMENT OF WATER SOLD
NORTH SHELBY WATER COMPANY**

Month	Residential	Commercial	Other	Total Gallons Sold
May 2016	23,521,100	3,338,100	163,300	27,022,500
June	26,163,100	3,599,200	245,100	30,007,400
July	33,577,600	4,424,200	40,300	38,042,100
August	31,472,800	4,013,700	31,700	35,518,200
September	29,400,200	4,062,600	116,200	33,579,000
October	27,357,400	3,463,300	133,900	30,954,600
November	24,636,300	3,456,200	133,000	28,225,500
December	26,361,800	3,773,600	185,600	30,321,000
January	27,506,600	3,283,900	159,200	30,949,700
February	21,209,300	2,789,200	144,600	24,143,100
March	19,759,900	154,800	3,109,500	23,024,200
April 2017	22,045,400	158,500	3,776,600	25,980,500
TOTAL	313,011,500	36,517,300	8,239,000	357,767,800

LEGAL NOTICE REGARDING THE NORTH SHELBY WATER COMPANY

Notice is hereby given that because of an increase in the cost of water purchased from the Louisville Water Company and the Shelbyville Municipal Water & Sewer Commission, the North Shelby Water Company will increase its rates for services effective July 1, 2017. An application requesting the proposed rates was filed with the Kentucky Public Service Commission on May 31, 2017 to increase rates as follows:

	<u>Existing Rates</u>	<u>Proposed Rates</u>	<u>Increase (\$)</u>	<u>Increase (%)</u>
<u>5/8" x 3/4" Meters:</u>				
First 2,000 gallons	\$20.67 Minimum Bill	\$20.79 Minimum Bill	\$0.12	0.58%
Next 3,000 gallons	\$7.19 per 1,000 gallons	\$7.25 per 1,000 gallons	\$0.06	0.84%
Next 5,000 gallons	\$5.81 per 1,000 gallons	\$5.87 per 1,000 gallons	\$0.06	1.03%
Next 40,000 gallons	\$5.12 per 1,000 gallons	\$5.18 per 1,000 gallons	\$0.06	1.17%
Over 50,000 gallons	\$4.44 per 1,000 gallons	\$4.50 per 1,000 gallons	\$0.06	1.35%
<u>1" Meters:</u>				
First 5,000 gallons	\$42.24 Minimum Bill	\$42.54 Minimum Bill	\$0.30	0.71%
Next 5,000 gallons	\$5.81 per 1,000 gallons	\$5.87 per 1,000 gallons	\$0.06	1.03%
Next 40,000 gallons	\$5.12 per 1,000 gallons	\$5.18 per 1,000 gallons	\$0.06	1.17%
Over 50,000 gallons	\$4.44 per 1,000 gallons	\$4.50 per 1,000 gallons	\$0.06	1.35%
<u>1 1/2" Meters:</u>				
First 10,000 gallons	\$71.29 Minimum Bill	\$71.89 Minimum Bill	\$0.60	0.84%
Next 40,000 gallons	\$5.12 per 1,000 gallons	\$5.18 per 1,000 gallons	\$0.06	1.17%
Over 50,000 gallons	\$4.44 per 1,000 gallons	\$4.50 per 1,000 gallons	\$0.06	1.35%
<u>2" Meters:</u>				
First 15,000 gallons	\$96.89 Minimum Bill	\$97.79 Minimum Bill	\$0.90	0.93%
Next 35,000 gallons	\$5.12 per 1,000 gallons	\$5.18 per 1,000 gallons	\$0.06	1.17%
Over 50,000 gallons	\$4.44 per 1,000 gallons	\$4.50 per 1,000 gallons	\$0.06	1.35%
<u>3" Meters:</u>				
First 35,000 gallons	\$199.29 Minimum Bill	\$201.39 Minimum Bill	\$2.10	1.05%
Next 15,000 gallons	\$5.12 per 1,000 gallons	\$5.18 per 1,000 gallons	\$0.06	1.17%
Over 50,000 gallons	\$4.44 per 1,000 gallons	\$4.50 per 1,000 gallons	\$0.06	1.35%

As noted above, based on the increased cost of water from the Louisville Water Company all rates will increase \$0.06 per 1,000 gallons. The monthly bill for a customer using an average of 5,000 gallons of water each month will increase from \$42.24 to \$42.54. This is an increase of \$0.30 or 0.71%.

The charges/rates contained in this notice are the charges/rates proposed by the North Shelby Water Company. However, the Public Service Commission may order charges/rates to be charged that differ from these proposed charges/rates. Such action may result in charges/rates for consumers other than the charges/rates detailed in this notice.

Any person may examine this application at the offices of the North Shelby Water Company office located at 4596 Bagdad Road in Bagdad, Kentucky. In addition, any person may also examine the application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's website at <http://psc.ky.gov>. Any comments regarding the application may be submitted to the Public Service Commission through its website or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602. The Public Service Commission can also be contacted at 502-564-3940.

This notice is published pursuant to 807 KAR 5:068 - Purchased Water Adjustment for Water Districts and Water Associations.

NORTH SHELBY WATER COMPANY
s/ Jerry Ruble, President

EXHIBIT F

FOR ALL AREAS SERVED

P.S.C. KY. NO. _____

SHEET NO. _____

North Shelby Water Company
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

SHEET NO. _____

RATES AND CHARGES

MONTHLY RATES:

5/8 x 3/4 Inch Meters:

First 2,000 gallons	\$20.79 Minimum Bill
Next 3,000 gallons	\$7.25 per 1,000 gallons
Next 5,000 gallons	\$5.87 per 1,000 gallons
Next 40,000 gallons	\$5.18 per 1,000 gallons
Over 50,000 gallons	\$4.50 per 1,000 gallons

1 Inch Meters:

First 5,000 gallons	\$42.54 Minimum Bill
Next 5,000 gallons	\$5.87 per 1,000 gallons
Next 40,000 gallons	\$5.18 per 1,000 gallons
Over 50,000 gallons	\$4.50 per 1,000 gallons

1 1/2 Inch Meters:

First 10,000 gallons	\$71.89 Minimum Bill
Next 40,000 gallons	\$5.18 per 1,000 gallons
Over 50,000 gallons	\$4.50 per 1,000 gallons

2 Inch Meters:

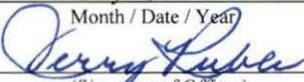
First 15,000 gallons	\$97.79 Minimum Bill
Next 35,000 gallons	\$5.18 per 1,000 gallons
Over 50,000 gallons	\$4.50 per 1,000 gallons

3 Inch Meters:

First 35,000 gallons	\$201.39 Minimum Bill
Next 15,000 gallons	\$5.18 per 1,000 gallons
Over 50,000 gallons	\$4.50 per 1,000 gallons

DATE OF ISSUE May 31, 2017
Month / Date / Year

DATE EFFECTIVE July 1, 2017
Month / Date / Year

ISSUED BY Jerry Ruble 
(Signature of Officer)

TITLE President

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

RESOLUTION OF AUTHORIZATION

The North Shelby Water Company, Bagdad, Kentucky hereby orders an increase in the Company's rates for service pursuant to 807 KAR 5:068: Purchased Water Adjustment Regulation. This action is required due to an increase in the cost of water purchased from the Shelbyville Municipal Water & Sewer Commission effective on January 19, 2017 and the Louisville Water Company effective on July 1, 2017. The terms of the rate increase shall be consistent with the Company's application to the Public Service Commission to be submitted on or after May 31, 2017. The rates proposed therein shall become effective for service rendered on or after July 1, 2017.

Action herein ordered shall be duly recorded in the minutes of this public meeting of the North Shelby Water Company held on this 15th day of May, 2017.

Ordered this the 15th day of May, 2017.

Signed:



Jerry Ruble, President

Attest:



Tom McGinnis Secretary/Treasurer