

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|--------------------------------------|---|------------|
| PURCHASED WATER ADJUSTMENT FILING OF |) | CASE NO. |
| NORTH SHELBY WATER COMPANY |) | 2019-00192 |

ORDER

On June 7, 2019, North Shelby Water Company (North Shelby Water) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

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

1. North Shelby Water purchases water from the Louisville Water Company (Louisville Water), Shelbyville Municipal Water System (Shelbyville), Frankfort Electric and Water Plant Board (Frankfort Plant Board) and West Shelby Water District (West Shelby District).

2. Louisville Water notified North Shelby Water that its wholesale volumetric water rate to North Shelby Water will increase from \$2.30 per 1,000 gallons to \$2.36 per 1,000 gallons and its total monthly service charge will increase from \$1,062.10 per month to \$1,103.52 per month effective July 1, 2019.² North Shelby Water proposes to increase the water rates to its customers effective July 1, 2019, to reflect the increased cost of purchased water from Louisville Water.

¹ KRS 278.015; 807 KAR 5:068.

² TFS2019-00193 (Ky. PSC filed March 29, 2019); the tariff was accepted for filing by the Commission by letter dated June 13, 2019.

3. North Shelby Water proposed a purchased water adjustment factor of \$0.05 per 1,000 gallons in its application.

4. During the 12 months ended April 30, 2019, North Shelby Water purchased 255,449,000 gallons of water from Louisville Water, purchased 108,600,400 gallons of water from Shelbyville and purchased 74,903,000 gallons from Frankfort Plant Board. During the same period, North Shelby Water sold 363,869,800 gallons of water. The increase in the cost of purchased water is \$15,823.98, resulting in a purchased water adjustment factor of \$0.05 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.05 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable, and should be approved.

6. North Shelby Water'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 water service rendered by North Shelby Water on and after July 1, 2019.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.05 per 1,000 gallons is approved.

2. The rates proposed by North Shelby Water are approved.

3. The rates as set forth in Appendix B to this Order are approved for water service rendered by North Shelby Water on and after July 1, 2019.

4. Within 20 days of the date of entry of this Order, North Shelby Water shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

5. Within 30 days of the date of entry of this Order, North Shelby Water shall file with the Commission Proof of Notice pursuant to 807 KAR 5:068, Section 5(3).

6. Any document filed pursuant to ordering paragraph 5 of this Order shall reference the number of this case and shall be retained in the post case correspondence file.

7. This case is closed and removed from the Commission's docket.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

By the Commission

ENTERED
JUL 01 2019
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2019-00192

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2019-00192 DATED **JUL 01 2019**

| | New Rate | Base Rate |
|-----------------------------------|---------------------|-----------------------------|
| Louisville Water | | |
| Purchases in Gallons | 255,449,000 | 255,449,000 |
| Rate per 1,000 Gallons | <u>\$ 2.36/1000</u> | <u>\$ 2.30/1000</u> |
| Subtotal | \$602,859.64 | \$587,532.70 |
| Months | 12 | 12 |
| Monthly Service Charge | <u>\$ 1,103.52</u> | <u>\$ 1,062.10</u> |
| Subtotal | \$ 13,242.24 | \$ 12,745.20 |
| Shelbyville Municipal | | |
| Purchases in Gallons | 108,600,400 | 108,600,400 |
| Wholesale Rate | <u>NO CHANGE</u> | <u>NO CHANGE</u> |
| Frankfort Plant Board | | |
| Purchases in Gallons | 74,903,000 | 74,903,000 |
| Wholesale Rate | <u>NO CHANGE</u> | <u>NO CHANGE</u> |
| West Shelby District | | |
| Purchase in Gallons | No Purchases | No Purchases |
| Wholesale Rate | <u>NO CHANGE</u> | <u>NO CHANGE</u> |
| Total | \$616,101.88 | \$600,277.90 |
| Increased water cost | | \$ 15,823.98 |
| Increased water cost | | \$ 15,823.98 |
| Divided by Gallons sold/1000 | | <u>363,869,800</u> |
| Purchased water adjustment factor | | \$ 0.044 per 1000 Gallons |
| | | or \$ 0.05 per 1000 Gallons |

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2019-00192 DATED **JUL 01 2019**

The following rates and charges are prescribed for the customers in the area served by North Shelby Water Company. 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 Water Rates

5/8- x 3/4-Inch Meter

| | | |
|-------|----------------|------------------------|
| First | 2,000 Gallons | \$22.68 Minimum Bill |
| Next | 3,000 Gallons | 7.64 per 1,000 Gallons |
| Next | 5,000 Gallons | 6.26 per 1,000 Gallons |
| Next | 40,000 Gallons | 5.57 per 1,000 Gallons |
| Over | 50,000 Gallons | 4.89 per 1,000 Gallons |

1-Inch Meter

| | | |
|-------|----------------|------------------------|
| First | 5,000 Gallons | \$ 45.60 Minimum Bill |
| Next | 5,000 Gallons | 6.26 per 1,000 Gallons |
| Next | 40,000 Gallons | 5.57 per 1,000 Gallons |
| Over | 50,000 Gallons | 4.89 per 1,000 Gallons |

1 1/2-Inch Meter

| | | |
|-------|----------------|------------------------|
| First | 10,000 Gallons | \$ 76.90 Minimum Bill |
| Next | 40,000 Gallons | 5.57 per 1,000 Gallons |
| Over | 50,000 Gallons | 4.89 per 1,000 Gallons |

2-Inch Meter

| | | |
|-------|----------------|------------------------|
| First | 15,000 Gallons | \$ 104.75 Minimum Bill |
| Next | 35,000 Gallons | 5.57 per 1,000 Gallons |
| Over | 50,000 Gallons | 4.89 per 1,000 Gallons |

3-Inch Meter

| | | |
|-------|----------------|------------------------|
| First | 35,000 Gallons | \$ 216.15 Minimum Bill |
| Next | 15,000 Gallons | 5.57 per 1,000 Gallons |
| Over | 50,000 Gallons | 4.89 per 1,000 Gallons |

*Lee Mudd, P.E.
Monarch Engineering, Inc.
556 Carlton Drive
Lawrenceburg, KENTUCKY 40342

*North Shelby Water Company
4596 Bagdad Road
P. O. Box 97
Bagdad, KY 40003

*Jerry Ruble
President
North Shelby Water Company
4596 Bagdad Road
P. O. Box 97
Bagdad, KY 40003