

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
NORTH SHELBY WATER COMPANY)	CASE NO. 95-387

O R D E R

On September 6, 1995, North Shelby Water Company ("North Shelby") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.012 and 807 KAR 5:068.

On October 6, 1995, the Commission issued an Order denying the purchased water adjustment without prejudice because North Shelby's wholesale supplier, the Frankfort Electric and Water Plant Board ("Frankfort"), had not filed its new rates with the Commission. Consistent with the Commission's Order in Administrative Case No. 351¹ and KRS 278.160, contracts and rate schedules filed with the Commission shall control the rates and conditions of service of the parties. Changes to those currently on file with the Commission shall be made in accordance with KRS 278.180 and Commission Regulation 807 KAR 5:011. Until such changes are approved by the Commission, the old contracts and rate schedules remain in effect.

¹ Administrative Case No. 351, Submission of Contracts and Rates of Municipal Utilities Providing Wholesale Utility Service to Public Utilities. (Ky. P.S.C., August 10, 1994).

On September 27, 1995, Frankfort filed with the Commission its new rates, which were approved by the Commission for service rendered to North Shelby on and after October 27, 1995. On October 16, 1995, North Shelby, by letter, requested that the Commission re-open this case, as Frankfort had filed the necessary documents with the Commission. The Commission granted North Shelby's request to reopen this case by Order dated November 1, 1995.

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

1. North Shelby purchases water from Frankfort, Louisville Water Company, and Shelbyville Municipal Water and Sewer Commission.

2. Effective October 27, 1995, Frankfort increased its rates for wholesale water from \$1.08 per 1,000 gallons to \$1.13 per 1,000 gallons. North Shelby's other suppliers are not increasing their rates at this time.

3. North Shelby proposed to increase the rates to its customers effective October 31, 1995.

4. During the 12 months ending May 31, 1995, North Shelby purchased 141,434,500 gallons of water from Frankfort and sold 278,845,244 gallons.

5. North Shelby's calculations are correct and show an increase in purchased water cost of \$7,071.73, resulting in a purchased water adjustment of 3 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, the average bill of

North Shelby's customers would increase 15 cents from \$23.44 to \$23.59, or 1 percent.

6. The purchased water adjustment of 3 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of 3 cents per 1,000 gallons and the rates in Appendix A are hereby approved for services rendered on and after October 31, 1995.

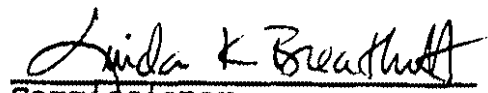
2. North Shelby's proposed tariff is approved.

Done at Frankfort, Kentucky, this 14th day of November, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 95-387 DATED NOVEMBER 14, 1995

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 authority of this Commission prior to the effective date of this Order.

5/8 x 3/4 Inch Meter

First	2,000 gallons	\$ 10.78 Minimum Bill
Next	3,000 gallons	4.27 per 1,000 gallons
Next	5,000 gallons	3.15 per 1,000 gallons
Next	40,000 gallons	2.59 per 1,000 gallons
Over	50,000 gallons	2.03 per 1,000 gallons

1 Inch Meter

First	5,000 gallons	\$ 23.59 Minimum Bill
Next	5,000 gallons	4.27 per 1,000 gallons
Next	40,000 gallons	2.59 per 1,000 gallons
Over	50,000 gallons	2.03 per 1,000 gallons

1-1/2 Inch Meter

First	10,000 gallons	\$ 39.34 Minimum Bill
Next	40,000 gallons	2.59 per 1,000 gallons
Over	50,000 gallons	2.03 per 1,000 gallons

2 Inch Meter

First	15,000 gallons	\$ 52.29 Minimum Bill
Next	35,000 gallons	2.59 per 1,000 gallons
Over	50,000 gallons	2.03 per 1,000 gallons

3 Inch Meter

First	35,000 gallons	\$104.09 Minimum Bill
Next	15,000 gallons	2.59 per 1,000 gallons
Over	50,000 gallons	2.03 per 1,000 gallons