

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|----------------------------|---|------------|
| PURCHASED WATER ADJUSTMENT |) | |
| OF NORTH SHELBY WATER |) | CASE NO. |
| COMPANY |) | 2005-00146 |

O R D E R

On April 1, 2005, North Shelby Water Company (“North Shelby”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.012 and 807 KAR 5:068.

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

1. North Shelby is a water association formed under the provisions of KRS Chapter 74, and as such purchases water from the city of Shelbyville (“Shelbyville”), the Frankfort Electric and Water Plant Board (“Frankfort”), the Louisville Water Company (“Louisville”), and West Shelby Water District (“West Shelby”).

2. Frankfort notified North Shelby that, effective with bills due and payable April 15, 2005, Frankfort’s wholesale water rate to North Shelby would increase from \$1.418 per 1,000 gallons to \$1.539 per 1,000 gallons.

3. Louisville notified North Shelby that, effective with service on and after May 1, 2005, Louisville’s wholesale water rate to North Shelby would increase from \$1.49 per 1,000 gallons to \$1.56 per 1,000 gallons.

4. North Shelby is authorized, pursuant to KRS 278.012, to increase its rates commensurate with those of its wholesale suppliers.

5. Shelbyville's wholesale water rate of \$1.37 per 1,000 gallons and West Shelby's wholesale water rate of \$3.49 per 1,000 gallons remain the same.

6. During the 12 months ending December 31, 2004, North Shelby purchased 26,771,700 gallons of water from Shelbyville, 168,922,000 gallons of water from Frankfort, 243,291,000 gallons of water from Louisville, 191,100 gallons of water from West Shelby, and it sold 368,987,800 gallons. The increase in the cost of purchased water is \$37,469.93, resulting in a purchased water adjustment of \$0.10 per 1,000 gallons.

7. The purchased water adjustment of \$0.10 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. North Shelby's proposed rates are approved.
2. The purchased water adjustment of \$0.10 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after May 1, 2005.
3. Within 20 days of the date of this Order, North Shelby shall file with the Commission a signed, revised tariff sheet showing the rates approved herein.

Done at Frankfort, Kentucky, this 22nd day of April, 2005.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2005-00146 DATED April 22, 2005

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 the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8"x3/4" Meter:

| | | | |
|-------|--------|---------|------------------------|
| First | 2,000 | gallons | \$11.54 Minimum Bill |
| Next | 3,000 | gallons | 4.65 per 1,000 gallons |
| Next | 5,000 | gallons | 3.53 per 1,000 gallons |
| Next | 40,000 | gallons | 2.97 per 1,000 gallons |
| Over | 50,000 | gallons | 2.41 per 1,000 gallons |

1" Meter:

| | | | |
|-------|--------|---------|------------------------|
| First | 5,000 | gallons | \$25.49 Minimum Bill |
| Next | 5,000 | gallons | 3.53 per 1,000 gallons |
| Next | 40,000 | gallons | 2.97 per 1,000 gallons |
| Over | 50,000 | gallons | 2.41 per 1,000 gallons |

1 1/2" Meter:

| | | | |
|-------|--------|---------|------------------------|
| First | 10,000 | gallons | \$43.14 Minimum Bill |
| Next | 40,000 | gallons | 2.97 per 1,000 gallons |
| Over | 50,000 | gallons | 2.41 per 1,000 gallons |

2" Meter:

| | | | |
|-------|--------|---------|------------------------|
| First | 15,000 | gallons | \$57.99 Minimum Bill |
| Next | 35,000 | gallons | 2.97 per 1,000 gallons |
| Over | 50,000 | gallons | 2.41 per 1,000 gallons |

3" Meter:

| | | | |
|-------|--------|---------|------------------------|
| First | 35,000 | gallons | \$117.39 Minimum Bill |
| Next | 15,000 | gallons | 2.97 per 1,000 gallons |
| Over | 50,000 | gallons | 2.41 per 1,000 gallons |