

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
APPLICATION OF NORTH SHELBY) CASE NO. 2008-00516
WATER COMPANY)

O R D E R

On December 15, 2008, North Shelby Water Company ("North Shelby") 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 purchases water from Louisville Water Company, the City of Shelbyville, the Frankfort Plant Board ("Frankfort"), and West Shelby Water District.
2. Frankfort notified North Shelby that, due to an increase in water withdrawal fees assessed by the Kentucky River Authority ("KRA"), Frankfort's KRA fee to North Shelby would increase from \$0.05 per 1,000 gallons to \$0.0965 per 1,000 gallons effective November 30, 2008. North Shelby proposed to increase the water rates to its customers effective December 10, 2008.
3. North Shelby's application contained a mathematical error in the computation of the proposed rates.
4. During the 12 months ending December 31, 2007, North Shelby purchased a total of 478,136,860 gallons of water, of which 178,419,000 gallons of

¹ KRS 278.012 and 807 KAR 5:068.

water were purchased from Frankfort, and sold 382,534,000 gallons. The increase in the cost of purchased water is \$8,296.00, resulting in a purchased water adjustment of \$0.03 per 1,000 gallons.

5. The purchased water adjustment of \$0.03 per 1,000 gallons is fair, just, and reasonable and should be approved.

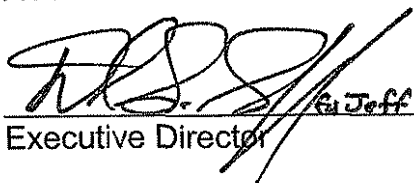
IT IS THEREFORE ORDERED that:

1. North Shelby's proposed rates are denied.
2. The purchased water adjustment of \$0.03 per 1,000 gallons as calculated in Appendix A is approved and the rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after the date of this Order.
3. Within 20 days of the date of this Order, North Shelby shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 14th day of January, 2009.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00516 DATED JANUARY 14, 2009

	New Rate	Base Rate	
North Shelby Water			
Purchases in gallons	178,419,000	178,419,000	
Volumetric rate	<u>\$0.0965/1,000</u>	<u>\$ 0.05/1,000</u>	
	\$ 17,217.43	\$ 8,920.95	
		Increased water cost	\$8,296.48
Increased water cost		\$ 8,296.48	
Divided by gallons sold		<u>382,534,400</u>	
Purchased water adjustment factor		\$0.03 per 1,000 gallons	

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00516 DATED JANUARY 14, 2009

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.

5/8" X 3/4" Meter

First	2,000 gallons	\$11.80 Minimum Bill
Next	3,000 gallons	4.78 per 1,000 gallons
Next	5,000 gallons	3.66 per 1,000 gallons
Next	40,000 gallons	3.10 per 1,000 gallons
Over	50,000 gallons	2.54 per 1,000 gallons

1" Meter

First	5,000 gallons	\$26.149 Minimum Bill
Next	5,000 gallons	3.66 per 1,000 gallons
Next	40,000 gallons	3.10 per 1,000 gallons
Over	50,000 gallons	2.54 per 1,000 gallons

1 1/2" Meter

First	10,000 gallons	\$44.44 Minimum Bill
Next	40,000 gallons	3.10 per 1,000 gallons
Over	50,000 gallons	2.54 per 1,000 gallon

2" Meter

First	15,000 gallons	\$59.94 Minimum Bill
Next	35,000 gallons	3.10 per 1,000 gallons
Over	50,000 gallons	2.54 per 1,000 gallons

3" Meter

First	35,000 gallons	\$121.94 Minimum Bill
Next	15,000 gallons	3.10 per 1,000 gallons
Over	50,000 gallons	2.54 per 1,000 gallons

Darrell Dees
Manager
North Shelby Water Company
P. O. Box 97
Bagdad, KY 40003