

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF)	CASE NO.
NORTH SHELBY WATER COMPANY)	2016-00354

ORDER

On September 30, 2016, 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, Frankfort Electric & Water Plant Board ("Frankfort"), Shelbyville Municipal Water & Sewer Commission, and West Shelby Water District.

2. Frankfort notified North Shelby that, effective November 1, 2016, Frankfort's wholesale rate to North Shelby would increase from \$2.35 per 1,000 gallons to \$2.45 per 1,000 gallons.² North Shelby proposes to increase the water rates to its customers effective November 1, 2016, to reflect the increased cost of purchased water.

3. North Shelby proposes a purchased water adjustment factor of \$0.02 per 1,000 gallons.

4. During the 12 months ended August 31, 2016, North Shelby purchased a

¹ KRS 278.015; 807 KAR 5:068.

² See Case No. 2014-00254, *Proposed Adjustment of the Wholesale Water Service Rates of Frankfort Electric and Water Plant Board*, Parties Joint Settlement Stipulation and Recommendation (filed Oct 10, 2014).

total of 441,071,100 gallons of water, 62,775,000 of which were purchased from Frankfort and sold 363,928,900 gallons. The increase in the cost of purchased water is \$6,277.50, resulting in a purchased water adjustment factor of \$0.02 per 1,000 gallons.

5. The purchased water adjustment of \$0.02 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

6. North Shelby's proposed 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 on and after November 1, 2016.

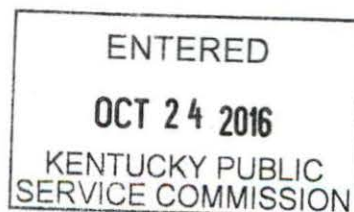
IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.02 per 1,000 gallons is approved.

2. North Shelby's proposed rates as set forth in Appendix B to this Order are approved for water service rendered by North Shelby on and after November 1, 2016.

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

By the Commission



ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00354 DATED **OCT 24 2016**

	New Rate	Base Rate
Frankfort		
Purchases in gallons	62,775,000	62,775,000
Volumetric rate	<u>\$2.45/1,000</u>	<u>\$2.35/1,000</u>
	\$153,798.75	\$147,521.25
Louisville Water		
Monthly Service Charge	\$997.50/month	\$997.50/month
	<u> X 12</u>	<u> X 12</u>
	N/C	N/C
Louisville Water		
Purchases in gallons	325,222,000	325,222,000
Volumetric rate	<u>\$2.20/1,000</u>	<u>\$2.20/1,000</u>
	N/C	N/C
Shelbyville Municipal		
Purchases in gallons	53,074,100	53,074,100
Volumetric rate	<u>\$1.894/1,000</u>	<u>\$1.894/1,000</u>
	N/C	N/C
West Shelby		
Purchases in gallons	0	0
Volumetric rate	<u>\$7.54/1,000</u>	<u>\$7.54/1,000</u>
	N/C	N/C
	Increased water cost	\$6,277.50
Increased water cost	\$ 6,277.50	
Divided by gallons sold/1,000	<u>363,928,900</u>	
	\$ 0.0172	
Purchased water adjustment factor	\$0.02 per 1,000 gallons	

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00354 DATED **OCT 24 2016**

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 X 3/4-Inch Meter

First	2,000 Gallons	\$20.67	Minimum Bill
Next	3,000 Gallons	7.19	per 1,000 Gallons
Next	5,000 Gallons	5.81	per 1,000 Gallons
Next	40,000 Gallons	5.12	per 1,000 Gallons
Over	50,000 Gallons	4.44	per 1,000 Gallons

1-Inch Meter

First	5,000 Gallons	\$42.24	Minimum Bill
Next	5,000 Gallons	5.81	per 1,000 Gallons
Next	40,000 Gallons	5.12	per 1,000 Gallons
Over	50,000 Gallons	4.44	per 1,000 Gallons

1 1/2-Inch Meter

First	10,000 Gallons	\$71.29	Minimum Bill
Next	40,000 Gallons	5.12	per 1,000 Gallons
Over	50,000 Gallons	4.44	per 1,000 Gallons

2-Inch Meter

First	15,000 Gallons	\$96.89	Minimum Bill
Next	35,000 Gallons	5.12	per 1,000 Gallons
Over	50,000 Gallons	4.44	per 1,000 Gallons

3-Inch Meter

First	35,000 Gallons	\$199.29	Minimum Bill
Next	15,000 Gallons	5.12	per 1,000 Gallons
Over	50,000 Gallons	4.44	per 1,000 Gallons

*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