

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED WATER)	CASE NO.
ADJUSTMENT FILING OF NORTH NELSON)	2020-00165
WATER DISTRICT)	

ORDER

On May 22, 2020, North Nelson Water District (North Nelson District) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

In a review of the Commission's records from 1985 to the present dates, the Commission notes that its records indicate North Nelson District has not sought a general base rate adjustment since 1988. The lack of insight into North Nelson District's financial records indicates to the Commission that North Nelson District should file an application for a traditional adjustment in rates or an alternative rate adjustment within one year of the date of this Order to ensure its revenue is sufficient to support adequate and reliable service.

Having reviewed the record and being otherwise sufficiently advised, the Commission finds that:

1. North Nelson District purchases water from Louisville Water Company (Louisville Water) and the city of Bardstown (Bardstown).
2. Louisville Water notified North Nelson District that its monthly service charge would increase from \$1,161.60 per month, to \$1,202.26 per month, and its

¹ KRS 278.012; 807 KAR 5:068.

volumetric wholesale rate would increase from \$2.36 per 1,000 gallons to \$2.41 per 1,000 gallons effective July 1, 2020. Bardstown notified North Nelson District that its wholesale rate would increase from \$2.45 per 1,000 gallons to \$2.49 per 1,000 gallons effective July 1, 2020. North Nelson District proposes to increase the water rates to its customers effective July 1, 2020, to reflect the increased cost of purchased water from Louisville Water and Bardstown.

3. North Nelson District proposed a purchased water adjustment factor of \$0.06 per 1,000 gallons in its application.

4. During the 12 months ended April 30, 2020, North Nelson District purchased 200,703,000 gallons of water from Louisville Water, and 86,544,000 gallons of water from Bardstown. During the same period, North Nelson District sold 265,751,200 gallons of water. The increase in the cost of purchased water is \$13,984.83, resulting in a purchased water adjustment factor of \$0.06 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.06 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

6. North Nelson District'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 Nelson District on and after July 1, 2020.

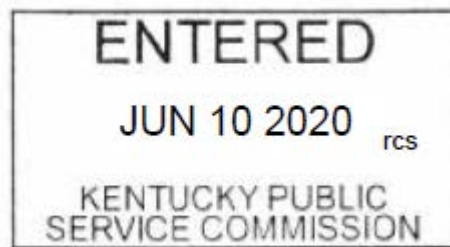
IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.06 per 1,000 gallons is approved.

2. The rates proposed by North Nelson District are approved.
3. The rates as set forth in Appendix B to this Order are approved for water service rendered by North Nelson District on and after July 1, 2020.
4. Within 20 days of the date of entry of this Order, North Nelson District shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.
5. This case is closed and removed from the Commission's docket.

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By the Commission



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2020-00165 DATED JUN 10 2020

	Base Rate	New Rate	Increase
Louisville Water			
Monthly Service Charge	\$1,161.60/month	\$1,202.26/month	
	<u>X 12</u>	<u>X 12</u>	
	\$13,939.20	\$14,427.12	\$ 487.92
Purchases in Gallons	200,703,000	200,703,000	
Wholesale rate	<u>\$ 2.36/1,000</u>	<u>\$ 2.41/1,000</u>	
	\$ 473,659.08	\$ 483,694.23	\$ 10,035.15
Bardstown			
Purchases in gallons	86,544,000	86,544,000	
Wholesale rate	<u>\$ 2.45/1,000</u>	<u>\$ 2.49/1,000</u>	
	\$ 212,032.80	\$ 215,494.56	\$ 3,461.76
Increased water cost		\$ 13,984.83	
Increased water cost		\$ 13,984.83	
Divided by Gallons sold/1,000		<u>265,751,200</u>	
Purchased water adjustment factor		\$ 0.0526 per 1,000 Gallons	
		or \$ 0.06 per 1,000 Gallons	

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2020-00165 DATED JUN 10 2020

The following rates and charges are prescribed for the customers in the area served by North Nelson Water District. 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

First 2,000 Gallons	\$15.57	Minimum Bill
Next 3,000 Gallons	4.61	Per 1,000 Gallons
Next 5,000 Gallons	4.09	Per 1,000 Gallons
Over 10,000 Gallons	3.74	Per 1,000 Gallons
Truck Loading Stations	7.42	Per 1,000 Gallons

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