

COMMISSIONERS

WEST SHELBY WATER DISTRICT

MANAGERS

Ray Larmee,
Chairman

7101 Shelbyville Rd.
P.O. Box 39
Simpsonville, KY 40067
(502) 722-8944

Wanda H. Land,
Co-Manager

John Frazier,
Secretary

Steven D Eden,
Co-Manager

Bob McDowell,
Treasurer

April 1, 2005

Public Service Commission
Division of Rates and Tariffs
615 Sower Blvd.
P. O. Box 615
Frankfort, KY 40602

RECEIVED
APR 15 2005
PUBLIC SERVICE
COMMISSION

Case No. 2005-00161

To Whom It May Concern:

The West Shelby Water District respectfully requests that the Public Service Commission allow us to make an adjustment in our rates in accordance with 807 KAR 5:068 Purchased Water Adjustments for Water Districts.

Our supplier, Louisville Water Company, has informed the District that an increase will take effect May 1, 2005. The District purchased 263,096,200 gallons of water from March 1, 2004 through February 28, 2005 at a total cost of \$400,471.21. The District sold 230,116,500 gallons of water to its customers. With the wholesale increase the new cost is expected to be \$418,425.82. The difference between the old cost and new cost will be \$17,954.61. The incremental cost in terms of water sold is \$0.08 (\$0.078) cents per 1,000 gallons. We propose to raise each gallonage block that amount.

The following documents are enclosed:

- Exhibit A: Purchase Water Adjustment for Water District Form (PSC Form)
- Exhibit B: Supplier's Notice of Changed Rate (3 pages)
West Shelby's response letter to Louisville Water Co.
- Exhibit C: Statement of Water Purchases
- Exhibit D: Statement of Water Sold
- Exhibit E: Increase water cost calculations
- Exhibit F: Notice to Customers
- Exhibit G: Revised Tariff Sheet (plus 4 copies)

If you have any questions, please contact Wanda H. Land, Co-Manager of the West Shelby Water District at (502) 722-8944.

Yours truly,

Wanda H. Land, Manager
West Shelby Water District

Equal Opportunity Employer and Provider

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MANAGERS

Wanda H. Land,
Co-Manager

Steven D Eden,
Co-Manager

**PURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND ASSOCIATIONS
(807) KAR 5:068**

1. Names of all wholesale suppliers and the base rate and changed rate of each:

<u>SUPPLIERS</u>	<u>BASE RATE</u>	<u>CHANGED RATE</u>
Louisville Water Company	\$1.49 per 1,000 gals.	\$1.58 per 1,000 gals.
Shelbyville Municipal Water	\$1.62 per 1,000 gals.	no change

- 1.b. A copy of the supplier's notice of the changed rate, with the effective date of the increase is attached. (Exhibit B)
2. The twelve-month period upon which Purchased Water Adjustment is based:

From March 1, 2004 through February 28, 2005

3. Statement of Water Purchases from each supplier. (Exhibit C)

<u>SUPPLIER(S)</u>	<u>GALLONS PURCHASED DURING 12 MONTH PERIOD</u>
Louisville Water Company	195,397,000
Shelbyville Municipal Water	<u>67,699,200</u>
Total	<u>263,096,200</u>

4. Total sales for the 12-month period was **230,116,300** gallons. (EXHIBIT D)
5. Increased water cost is the difference between purchases at base (current rate) and purchases at new rate: **\$17,954.61**. (EXHIBIT E)
6. Purchased Water Adjustment Factor **\$0.078** per 1,000 gallons.
7. The proposed effective date of the new rate is **May 1, 2005**.

Wanda H. Land, Co-Manager
West Shelby Water District Commission

EXHIBIT A

Equal Opportunity Employer and Provider



LOUISVILLE WATER COMPANY

550 SOUTH THIRD STREET • LOUISVILLE, KENTUCKY 40202

TEL 502-569-3600

WWW.LOUISVILLEWATER.COM

March 4, 2005

Ms. Wanda Land
Co-Manager
West Shelby Water District
P.O. Box 26
Simpsonville, KY 40067

Dear Ms. Land:

On behalf of Louisville Water Company, thank you for attending the meeting of our wholesale customers earlier this week. I appreciate the opportunity for feedback from this important customer group of our Company. Please find enclosed a copy of the comments made at the meeting by Bob Miller.

Also enclosed is a copy of the 2005 Rate Schedule. As indicated in paragraph 6.03 of the schedule, the rate for wholesale water service on and after May 1, 2005 will be \$1.31 per thousand gallons, plus an elevated service area surcharge of \$0.25 per thousand gallons. This new rate is subject to approval by the Public Service Commission.

We are planning to file the necessary documentation for this new rate with the Public Service Commission soon. We would like to ask West Shelby to send a letter to the PSC indicating no objection to the proposed rate increase.

I again offer any assistance, as we continue to bring the wholesale water rates in line with our cost of service. Patti Kaelin will be following up with you during the next several weeks. In the meantime, if you have any questions you may call Jim Smith at (502) 569-3687 or me at 569-3680.

Sincerely,

John L. Huber
President

C: Bob Miller – LWCo.
Karla Teasley – LWCo.

WATER RATES

**LOUISVILLE WATER COMPANY
LOUISVILLE, KENTUCKY**

BOARD OF WATER WORKS RULES AND REGULATIONS

6.00 RATES

6.01 For the purpose of classifying revenues, and to provide for different classes of rates, there shall be established seven (7) classes of customers and five (5) areas of service.

The classes of customers shall be identified as:

Residential
Commercial
Industrial
Fire Service
Fire Hydrants
Municipal
Wholesale

The areas of service shall be identified as:

Retail Service Area
Kentucky Turnpike #1 Area
Kentucky Turnpike #2 Area
Goshen Utilities Area
Shepherdsville Area

6.02 The rate charge for metered water service shall be comprised of three components except for municipal customers as defined in KRS 96.270 who shall be served as provided therein at no cost to the customer and publicly owned fire hydrants:

- (1.) A service charge based on the size of the meter through which the customer receives such service, and
- (2.) A commodity charge based on the amount of water consumed, and
- (3.) An elevated service area surcharge, if applicable, in Rule 6.02.03.

6.02.01 Service Charge

The service charge for classes of customers taking metered service and situated within the **Retail Service Area** shall be charged in accordance with the following schedule:

<u>Meter Size</u>	<u>Service Charge</u> <u>Monthly Bill</u>	
5/8" x 3/4"	\$	5.06
1"	\$	12.65
1 1/2"	\$	25.30
2"	\$	40.48
3"	\$	88.55
4"	\$	151.80
6"	\$	354.20
8"	\$	632.50
10"	\$	961.40
12"	\$	1,467.40
16"	\$	2,909.50

The service charge for customer classes situated within the **Kentucky Turnpike #1** area shall be charged in accordance with the following schedule:

<u>Meter Size</u>						
5/8" x 3/4"	\$	6.00	+	5.06	=	11.06
1"	\$	24.00	+	12.65	=	36.65
1 1/2"	\$	54.00	+	25.30	=	79.30
2"	\$	96.00	+	40.48	=	136.48
3"	\$	216.00	+	88.55	=	304.55
4"	\$	384.00	+	151.80	=	535.80
6"	\$	864.00	+	354.20	=	1,218.20

6.02.02 Commodity Charge

The commodity charge for monthly usage for customers within the **Retail Service Area** and the **Kentucky Turnpike #1** area shall be computed in accordance with the following schedule:

<u>Thousand Gallons</u> <u>Per Month</u>		
First	3	at \$1.81 per 1,000 Gallons
Next	3	at \$1.98 per 1,000 Gallons
Next	194	at \$2.24 per 1,000 Gallons
Next	1,300	at \$2.10 per 1,000 Gallons
Next	3,500	at \$1.92 per 1,000 Gallons
Next	5,000	at \$1.48 per 1,000 Gallons
All Over	10,000	at \$1.31 per 1,000 Gallons

COMMISSIONERS

WEST SHELBY WATER DISTRICT

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Ray Larmee,
Chairman

John Frazier,
Secretary

Bob McDowell,
Treasurer

7101 Shelbyville Rd.
P.O. Box 39
Simpsonville, KY 40067
(502) 722-8944

Wanda H. Land,
Co-Manager

Steven D Eden,
Co-Manager

March 23, 2005

John L. Huber, President
Louisville Water Company
550 South Third Street
Louisville, KY 40202

Dear Mr. Huber:

I have reviewed your letter of March 4, 2005, in which you officially informed West Shelby Water District of the new rate charge of \$1.31 per thousand gallons, plus an elevated service area surcharge of \$0.25 per thousand gallons for water purchased, effective May 1, 2005. Also, the monthly service charge for the two (2) master meters, located on Hwy.148 and U.S. 60, supplying West Shelby Water District will increase from \$83.25 to \$88.55 and \$142.50 to \$151.80 respectively.

We do try to keep the lowest rates possible for our customers, therefore we are not in favor of, but will not object to this increase.

This will be an increase of \$0.072 per thousand gallons from our current agreement. Such an increase will be passed on to our customers by a pass-thru rate increase. I am presently in the process of filing this rate increase with the Public Service Commission.

I would like to thank you and your staff for advising us of this rate change in such a professional and timely manner. If I can be of any assistance, please call me at (502) 722-8944.

Very truly yours,



Wanda H. Land
Co-Manager

cc: Patty Kaelin
Public Service Commission, Rates and Tariffs Division

WEST SHELBY WATER DISTRICT
STATEMENT OF PURCHASED WATER
February 2004 - February 2005

	<u>Shelbyville Municipal</u>		<u>Louisville Water</u>		<u>Total Gals. Purchased</u>
	<u>Gallons</u>	<u>Cost</u>	<u>Gallons</u>	<u>Cost</u>	
Mar 2004	5,613,700	\$ 9,094.20	13,009,000	\$ 17,775.90	18,622,700
April	5,959,400	\$ 9,654.23	16,229,000	\$ 22,151.40	22,188,400
May	5,587,700	\$ 9,052.07	14,953,000	\$ 21,309.92	20,540,700
June	5,874,000	\$ 9,515.88	15,684,000	\$ 23,594.91	21,558,000
July	5,927,300	\$ 9,602.23	19,620,000	\$ 29,459.55	25,547,300
Aug	5,848,400	\$ 9,474.41	17,687,000	\$ 26,579.38	23,535,400
Sept	6,216,600	\$ 10,070.89	21,610,000	\$ 32,454.75	27,826,600
Oct	5,355,200	\$ 8,675.42	18,959,000	\$ 29,259.44	24,314,200
Nov	5,450,200	\$ 8,829.32	13,620,000	\$ 21,687.52	19,070,200
Dec	4,842,600	\$ 7,845.01	14,728,000	\$ 22,253.72	19,570,600
Jan. 2005	5,279,200	\$ 8,552.30	15,735,000	\$ 23,754.15	21,014,200
Feb	5,744,900	\$ 9,306.74	13,563,000	\$ 20,517.87	19,307,900
Totals	67,699,200	\$ 109,672.70	195,397,000	\$ 290,798.51	263,096,200

Done this 16th day of March 2005 at Simpsonville, KY .

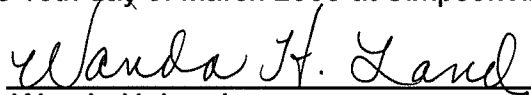

Wanda H. Land
Manager

EXHIBIT C

**WEST SHELBY WATER DISTRICT
STATEMENT OF WATER SOLD
March 2004 - February 2005**

Mar. 2004	16,048,900
April	17,068,800
May	18,614,700
June	20,463,700
July	20,049,300
Aug	21,222,700
Sept	23,194,100
Oct	24,042,900
Nov	19,272,200
Dec	16,336,600
Jan. 2005	16,670,500
Feb	17,132,100
<hr/>	
Total	230,116,500

Done this 16th day of March 2005 at Simpsonville, KY



Wanda H. Land
Manager

EXHIBIT D

WEST SHELBY WATER DISTRICT

4/12/2005

PURCHASED WATER ADJUSTMENT CALCULATIONS

<u>Current Water Purchased:</u>		<u>@</u>		<u>Cost</u>	
Louisville	195,397,000	Gallons	\$ 1.49/1,000 gal.	\$	290,798.51
Louisville service chg.	not included in	calculation	\$ 225.75/12 mo.	\$	-
Shelbyville	<u>67,699,200</u>	Gallons	\$ 1.62/1,000 gal.	\$	<u>109,672.70</u>
Total	<u>263,096,200</u>	Gallons		\$	<u>400,471.21</u>

Water Sold: 230,116,500 Gallons

<u>Increased Purchase Cost:</u>					
Louisville	195,397,000	Gallons	\$ 1.56/1,000 gal.	\$	304,819.32
*Louisville service chg.			\$ 240.35 x 12 mo.	\$	2,884.20
Total Louisville	195,397,000	Gallons	\$ 1.5747/1,000 gal.	\$	307,703.52
Shelbyville	<u>68,347,100</u>	Gallons	\$ 1.62/1,000 gal.	\$	<u>110,722.30</u>
Total	<u>459,141,100</u>	Total		\$	<u>418,425.82</u>
		Increase	:	\$	17,954.61

<u>Increase</u>	:	<u>\$ 17,954.61</u>	equals	<u>\$ 0.0780</u>	cents/1,000
<u>Water Sold</u>	:	<u>230,116,500</u> Gallons			

* West Shelby Water is served by two (2) master meters from the Louisville Water Co. which are:				
	<u>3"</u>	<u>4"</u>	<u>Combined Total</u>	
Monthly Service Charge for these meters will be :	\$88.55	\$151.80	<u>\$240.35</u>	

EXHIBIT E

Wanda H. Land
Calculated by: Wanda H. Land
West Shelby Water District
4/12/2005

room, large eat in kitchen. \$89,000. Located at 1824 Oakwood Drive. 502-693-3354.

4 RENTAL PROPERTIES for sale. All 3 bedroom houses in Shelbyville. Good location, good income. 502-722-0803

8 PLEX LOT - In Mulberry Acres, in Eminence. \$35,000. 502-722-9288.

74 ACRES +/- Mostly wooded, some pasture, utilities available, paved road frontage (country lane), \$160/s. "Open" Sat 4/9, 10-noon. Cartridge Road off Hwy 395 in E Shelby Co. or call C. Franck (502) 495-7444 Ky Select Properties

131 WOODFIELD CIRCLE: 4 bedroom, 2.5 bath, new paint & carpet, whirlpool tub, SELLER WILL CONSIDER ALL OFFERS. \$164,500. 502-747-5555. Real Estate Choices.

1624 GREENLAND PARK CIRCLE: Great neighborhood! 4 bedrooms, 1.5 baths, bilevel with 3.5 car detached garage. Many new features to the house. It's a must see. 502-647-1851 after 5pm.

BY OWNER: 189 Woodfield, 2000 sf., 3 bedroom, 3 bath, new finished walkout, cedar fence, \$185,000. Open House Sundays, 12:30pm. See at FISBOKY.com. 502-633-3275.

HENRY CO. BEAUTIFUL, 3 bedroom, 2.5 bath, modified A-frame with 2 story rock fireplace, large country kitchen, pool, spa house. Private location on 3+ acres, partially wooded & fenced, blacktop drive, \$270,000/**FARM, 113+/- ACRES, Main House** 2000+ sf. (part log, dating to 1830). Blacktop drive, board yard fence, well cared for home. Second residence mobile home. Both are rental properties bringing in a good return. Land currently leased as horse farm, 4 barns. Great investment property or very desirable country home, \$375,000. These 2 adjoining properties (selling separately) are less than

NOTICE

West Shelby Water District has filed an application with the Public Service Commission for a proposed rate change for a water service, effective May 1, 2005. The change is made necessary due to an increase in the wholesale price of water from one of our suppliers. Louisville Water Company. The following rates may be altered by the PSC after examining the application.

5/8 inch Meter

First	2,500	Gallons per month, minimum bill	\$13.31
Next	7,500	Gallons per month, per 1,000 gallons	4.69
Next	20,000	Gallons per month, per 1,000 gallons	4.06
Next	200,000	Gallons per month, per 1,000 gallons	3.56
Over	230,000	Gallons per month, per 1,000 gallons	3.20

3/4 Inch Meter

First	3,500	Gallons per month, minimum bill	\$18.00
Next	6,500	Gallons per month, per 1,000 gallons	4.69
Next	20,000	Gallons per month, per 1,000 gallons	4.06
Next	200,000	Gallons per month, per 1,000 gallons	3.56
Over	230,000	Gallons per month, per 1,000 gallons	3.20

1 inch Meter

First	5,000	Gallons per month, minimum bill	\$25.03
Next	5,000	Gallons per month, per 1,000 gallons	4.69
Next	20,000	Gallons per month, per 1,000 gallons	4.06
Next	200,000	Gallons per month, per 1,000 gallons	3.56
Over	230,000	Gallons per month, per 1,000 gallons	3.20

1 1/2 inch Meter

First	10,000	Gallons per month, minimum bill	\$48.49
Next	20,000	Gallons per month, per 1,000 gallons	4.06
Next	200,000	Gallons per month, per 1,000 gallons	3.56
Over	230,000	Gallons per month, per 1,000 gallons	3.20

2 inch Meter

First	16,000	Gallons per month, minimum bill	\$72.85
Next	14,000	Gallons per month, per 1,000 gallons	4.06
Next	200,000	Gallons per month, per 1,000 gallons	3.56
Over	230,000	Gallons per month, per 1,000 gallons	3.20

3 inch Meter

First	30,000	Gallons per month, minimum bill	\$129.72
Next	200,000	Gallons per month, per 1,000 gallons	3.56
Over	230,000	Gallons per month, per 1,000 gallons	3.20

4 inch Meter

First	50,000	Gallons per month, minimum bill	\$200.95
Next	180,000	Gallons per month, per 1,000 gallons	3.56
Over	230,000	Gallons per month, per 1,000 gallons	3.20

6 inch Meter

First	100,000	Gallons per month, minimum bill	\$379.00
Next	130,000	Gallons per month, per 1,000 gallons	3.56
Over	230,000	Gallons per month, per 1,000 gallons	3.20

All persons having reason to intervene should file with the PSC, P.O. Box 615, Frankfort, KY 40602. The application is on file at the office of the West Shelby Water District in Simpsonville, KY and is available for examination during regular business hours.

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FOR Shelby County, Simpsonville, Kentucky
Community, Town or City

P.S.C. KY. NO. 2005-

SHEET NO. 1

WEST SHELBY WATER DISTRICT
(Name of Utility)

CANCELLING P.S.C. KY. NO. 2004-00098

SHEET NO. 1

RATES AND CHARGES

Applicable: Entire Area Served
Available: To all Customers served by the District

A. Monthly Rates:

5/8 inch Meter

First	2,500	Gallons per month , minimum bill	\$ 13.33
Next	7,500	Gallons per month , per 1,000 gallons	\$ 4.70
Next	20,000	Gallons per month , per 1,000 gallons	\$ 4.07
Next	200,000	Gallons per month , per 1,000 gallons	\$ 3.57
Over	230,000	Gallons per month , per 1,000 gallons	\$ 3.21

3/4 inch Meter

First	3,500	Gallons per month , minimum bill	\$ 18.02
Next	6,500	Gallons per month , per 1,000 gallons	\$ 4.70
Next	20,000	Gallons per month , per 1,000 gallons	\$ 4.07
Next	200,000	Gallons per month , per 1,000 gallons	\$ 3.57
Over	230,000	Gallons per month , per 1,000 gallons	\$ 3.21

1 inch Meter

First	5,000	Gallons per month , minimum bill	\$ 25.06
Next	5,000	Gallons per month , per 1,000 gallons	\$ 4.70
Next	20,000	Gallons per month , per 1,000 gallons	\$ 4.07
Next	200,000	Gallons per month , per 1,000 gallons	\$ 3.57
Over	230,000	Gallons per month , per 1,000 gallons	\$ 3.21

1 1/2 inch Meter

First	10,000	Gallons per month , minimum bill	\$ 48.55
Next	20,000	Gallons per month , per 1,000 gallons	\$ 4.07
Next	200,000	Gallons per month , per 1,000 gallons	\$ 3.57
Over	230,000	Gallons per month , per 1,000 gallons	\$ 3.21

DATE OF ISSUE April 1, 2005
Month / Date / Year

DATE EFFECTIVE May 1, 2005
Month / Date / Year

ISSUED BY  Ray L. Larmee
(Signature of Officer)

TITLE DISTRICT COMMISSION CHAIRMAN

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2005- DATED

FOR Shelby County, Simpsonville, Kentucky
Community, Town or City

P.S.C. KY. NO. 2005-

SHEET NO. 1

WEST SHELBY WATER DISTRICT
(Name of Utility)

CANCELLING P.S.C. KY. NO. 2004-00098

SHEET NO. 1

RATES AND CHARGES

2 inch Meter

First	16,000	Gallons per month , minimum bill	\$ 72.95
Next	14,000	Gallons per month , per 1,000 gallons	\$ 4.07
Next	200,000	Gallons per month , per 1,000 gallons	\$ 3.57
Over	230,000	Gallons per month , per 1,000 gallons	\$ 3.21

3 inch Meter

First	30,000	Gallons per month , minimum bill	\$ 129.91
Next	200,000	Gallons per month , per 1,000 gallons	\$ 3.57
Over	230,000	Gallons per month , per 1,000 gallons	\$ 3.21

4 inch Meter

First	50,000	Gallons per month , minimum bill	\$ 201.27
Next	180,000	Gallons per month , per 1,000 gallons	\$ 3.57
Over	230,000	Gallons per month , per 1,000 gallons	\$ 3.21

6 inch Meter

First	100,000	Gallons per month , minimum bill	\$ 379.64
Next	130,000	Gallons per month , per 1,000 gallons	\$ 3.57
Over	230,000	Gallons per month , per 1,000 gallons	\$ 3.21

DATE OF ISSUE April 1, 2005
Month / Date / Year

DATE EFFECTIVE May 1, 2005
Month / Date / Year

ISSUED BY Ray L. Larmee Ray L. Larmee
(Signature of Officer)

TITLE DISTRICT COMMISSION CHAIRMAN

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2005- DATED _____

HELBY WATER DISTRICT
39
NVILLE, KY 40067

RECEIVED

APR 15 2005

PUBLIC SERVICE
COMMISSION

Public Service Commission
Division of Rates and Tariffs
615 Sower Blvd.
P. O. Box 615
Frankfort, KY 40602

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