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Mark David Goss
Chairman

Gregory Coker
Commissioner

July 27, 2005

CERTIFICATE OF SERVICE

RE: Case No. 2005-00298
West Shelby Water District

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on July 27, 2005.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/jc
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|-------------------------------|---|------------|
| PURCHASED WATER ADJUSTMENT |) | CASE NO. |
| OF WEST SHELBY WATER DISTRICT |) | 2005-00298 |

O R D E R

On July 14, 2005, West Shelby Water District ("West Shelby") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

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

1. West Shelby purchases water from the Shelbyville Municipal Water ("Shelbyville") and the Louisville Water Company ("Louisville").
2. Shelbyville notified West Shelby that, effective with service rendered on and after August 1, 2005, Shelbyville's wholesale water rate would increase from \$1.62 per 1,000 gallons to \$1.68 per 1,000 gallons.
3. During the 12 months ending May 31, 2005, West Shelby purchased 66,537,500 gallons of water from Shelbyville and 192,458,000 gallons of water from Louisville and sold 230,372,200 gallons. The increase in the cost of purchased water is \$3,992.25, resulting in a purchased water adjustment of \$0.02 per 1,000 gallons.
4. The purchased water adjustment of \$0.02 per 1,000 gallons is fair, just, and reasonable and should be approved.

5. West Shelby misapplied the purchased water adjustment in their proposed rate schedule.

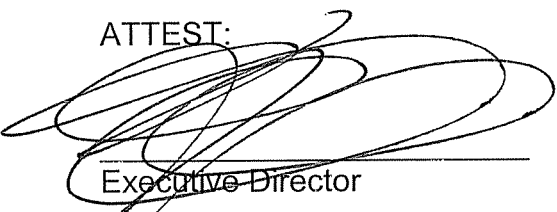
IT IS THEREFORE ORDERED that:

1. The rates proposed by West Shelby are denied.
2. The purchased water adjustment of \$0.02 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 August 1, 2005.
3. Within 20 days of the date of this Order, West Shelby shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 27th day of July, 2005.

By the Commission

ATTEST:



Executive Director

Case No. 2005-00298

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2005-00298 DATED July 27, 2005.

The following rates and charges are prescribed for the customers in the area served by West Shelby Water District. 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" Meter:

| | | |
|-------|-----------------|------------------------|
| First | 2,500 gallons | \$13.38 Minimum Bill |
| Next | 7,500 gallons | 4.72 per 1,000 gallons |
| Next | 20,000 gallons | 4.09 per 1,000 gallons |
| Next | 200,000 gallons | 3.59 per 1,000 gallons |
| Over | 230,000 gallons | 3.23 per 1,000 gallons |

3/4" Meter:

| | | |
|-------|-----------------|------------------------|
| First | 3,500 gallons | \$18.09 Minimum Bill |
| Next | 6,500 gallons | 4.72 per 1,000 gallons |
| Next | 20,000 gallons | 4.09 per 1,000 gallons |
| Next | 200,000 gallons | 3.59 per 1,000 gallons |
| Over | 230,000 gallons | 3.23 per 1,000 gallons |

1" Meter:

| | | |
|-------|-----------------|------------------------|
| First | 5,000 gallons | \$25.16 Minimum Bill |
| Next | 5,000 gallons | 4.72 per 1,000 gallons |
| Next | 20,000 gallons | 4.09 per 1,000 gallons |
| Next | 200,000 gallons | 3.59 per 1,000 gallons |
| Over | 230,000 gallons | 3.23 per 1,000 gallons |

1 1/2" Meter:

| | | |
|-------|-----------------|------------------------|
| First | 10,000 gallons | \$48.75 Minimum Bill |
| Next | 20,000 gallons | 4.09 per 1,000 gallons |
| Next | 200,000 gallons | 3.59 per 1,000 gallons |
| Over | 230,000 gallons | 3.23 per 1,000 gallons |

2" Meter:

| | | |
|-------|-----------------|------------------------|
| First | 16,000 gallons | \$73.28 Minimum Bill |
| Next | 14,000 gallons | 4.09 per 1,000 gallons |
| Next | 200,000 gallons | 3.59 per 1,000 gallons |
| Over | 230,000 gallons | 3.23 per 1,000 gallons |

3" Meter:

First 30,000 gallons
Next 200,000 gallons
Over 230,000 gallons

\$130.51 Minimum Bill
3.59 per 1,000 gallons
3.23 per 1,000 gallons

4" Meter:

First 50,000 gallons
Next 180,000 gallons
Over 230,000 gallons

\$202.27 Minimum Bill
3.59 per 1,000 gallons
3.23 per 1,000 gallons

6" Meter:

First 100,000 gallons
Next 130,000 gallons
Over 230,000 gallons

\$381.67 Minimum Bill
3.59 per 1,000 gallons
3.23 per 1,000 gallons