

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT )  
OF NORTH SHELBY WATER ) CASE NO. 2007-00222  
COMPANY )

O R D E R

On June 7, 2007, North Shelby Water Company ("North 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. North Shelby purchases water from the Louisville Water Company ("Louisville"), the city of Shelbyville ("Shelbyville"), West Shelby Water District and the city of Frankfort ("Frankfort").

2. Louisville notified North Shelby that, effective May 1, 2007, Louisville's wholesale water rate to North Shelby would increase from \$1.560 per 1,000 gallons to \$1.710 per 1,000 gallons. North Shelby proposes to increase the water rates to its customers effective May 1, 2007.

3. During the 12 months ending December 31, 2006, North Shelby purchased 238,195,300 gallons of water from Louisville, 182,518,000 gallons from Frankfort, 29,728,000 from Shelbyville and sold 367,607,100 gallons. The increase in the cost of purchased water is \$35,729.30, resulting in a purchased water adjustment of \$0.10 per 1,000 gallons.

4. North Shelby's filing was made more than 20 days after the May 1, 2007 increase. 807 KAR 5:068 allows utilities to place their increased rates into effect at the same time as when a supplier increases its wholesale rate. The regulation requires the utility to file notice with the Commission within 20 days of the increase. North Shelby's proposed effective date should be denied.

5. The purchased water adjustment of \$0.10 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

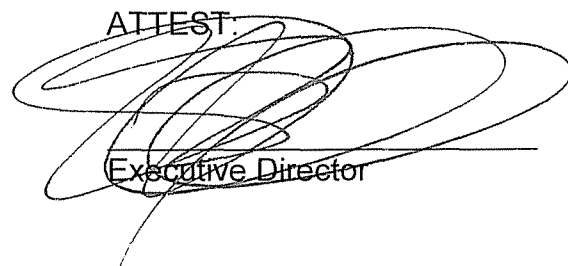
1. The rates proposed by North Shelby are approved.
2. The proposed effective date is denied.
3. The purchased water adjustment of \$0.10 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after the date of this Order.

4. 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 6th day of July, 2007.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2007-00222 DATED JULY 6, 2007

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.

RATES AND CHARGES

5/8" X 3/4" Meter

First	2,000 gallons	\$ 11.74	Minimum Bill
Next	3,000 gallons	4.75	per 1,000 gallons
Next	5,000 gallons	3.63	per 1,000 gallons
Next	40,000 gallons	3.07	per 1,000 gallons
All Over	50,000 gallons	2.51	per 1,000 gallons

1" Meter

First	5,000 gallons	\$ 25.99	Minimum Bill
Next	5,000 gallons	3.63	per 1,000 gallons
Next	40,000 gallons	3.07	per 1,000 gallons
All Over	50,000 gallons	2.51	per 1,000 gallons

1 1/2" Meter

First	10,000 gallons	\$44.14	Minimum Bill
Next	40,000 gallons	3.07	per 1,000 gallons
All Over	50,000 gallons	2.51	per 1,000 gallons

2" Meter

First	15,000 gallons	\$ 59.49	Minimum Bill
Next	35,000 gallons	3.07	per 1,000 gallons
All Over	50,000 gallons	2.51	per 1,000 gallons

3" Meter

First	35,000 gallons	\$120.89	Minimum Bill
Next	15,000 gallons	3.07	per 1,000 gallons
All Over	50,000 gallons	2.51	per 1,000 gallons