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Caroline Pitt Clark
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September 17, 2007

CERTIFICATE OF SERVICE

RE: Case No. 2007-00372
North Shelby Water Company

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 September 17, 2007.

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

Executive Director

BOD/tw
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF) CASE NO.
NORTH SHELBY WATER COMPANY) 2007-00372

ORDER

On August 16, 2007, North Shelby Water Company ("North Shelby") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.012 and 807 KAR 5:068.

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

1. North Shelby purchases water from the Shelbyville Municipal Water and Sewer Commission ("Shelbyville"), the Louisville Water Company ("Louisville") and the Frankfort Plant Board ("Frankfort").

2. Shelbyville notified North Shelby that, effective July 19, 2007, its wholesale water rate would increase from \$1.56 per 1,000 gallons to \$1.61 per 1,000 gallons. Louisville notified North Shelby that, effective May 1, 2007, its wholesale rate would increase from \$1.56 per 1,000 gallons to \$1.71 per 1,000 gallons. North Shelby proposes to increase the water rates to its customers effective September 1, 2007.

3. During the 12 months ending July 31, 2007, North Shelby purchased a total of 48,715,600 gallons of water from Shelbyville, purchased a total of 259,253,100 gallons of water from Louisville, and purchased a total of 202,702,000 from Frankfort. It

sold 426,574,300 gallons. The increase in the cost of purchased water is \$41,323.75, resulting in a purchased water adjustment factor of \$0.10 per 1,000 gallons.

4. The purchased water adjustment factor 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 purchased water adjustment factor of \$0.10 per 1,000 gallons as calculated in Appendix A is approved.

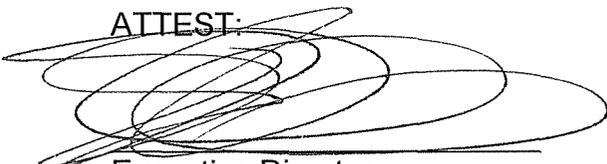
3. The rates in Appendix B, which is attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after September 1, 2007.

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 17th day of September, 2007.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00372 DATED September 17, 2007

	New Rate	Base Rate
Louisville		
Purchases in gallons	259,253,100	259,253,100
Volumetric rate	<u>\$1.71/1,000</u>	<u>\$1.56/1,000</u>
	\$443,322.80	\$404,434.84
		Increased water cost \$ 38,887.96
Shelbyville		
Purchases in gallons	48,715,600	48,715,600
Volumetric rate	<u>\$ 1.61/1,000</u>	<u>\$ 1.56/1,000</u>
	\$78,432.12	\$75,996.34
		Increased water cost \$2,435.78
Increased water cost	\$41,323.75	
Increased water cost		\$ 41,323.75
Divided by gallons sold		<u>426,574,300</u>
Purchased water adjustment factor		\$0.10 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00372 DATED September 17, 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

5/8x 3/4 Inch 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
Over	50,000	gallons	2.51	per 1,000 gallons

1 Inch Meter

First	5,000	gallons	\$ 25.99	Minimum bill
Next	5,000	gallons	3.63	per 1,000 gallons
Next	40,000	gallons	3.70	per 1,000 gallons
Over	50,000	gallons	2.51	per 1,000 gallons

1-1/2 Inch Meter

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

2 Inch Meter

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

3 Inch Meter

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