RECEIVED

MATHIS, RIGGS & PRATHER, P.S.C.

ATTORNEYS AT LAW 500 MAIN STREET, SUITE 5 SHELBYVILLE, KENTUCKY 40065 PUBLIC SERVICE COMMISSION

AUG 1 1 2008

C. LEWIS MATHIS, JR. T. SHERMAN RIGGS DONALD. T. PRATHER NATHAN T. RIGGS TELEPHONE: (502) 633-5220 FAX: (502) 633-0667

E-MAIL: mrp@iqlou.com

August 8, 2008

David R. McDowell
Division of Filings
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602-0615

Re: Case No. 2008-00232 Filing Deficiencies

Dear Mr. McDowell:

Pursuant to your letter dated July 31, 2008, I enclose the original and 10 copies of the Estimated Cost of Operations of the subject proposed transmission main.

Yours truly,

MATHIS, RIGGS & PRATHER, P.S.C.

Donald T. Prather

DTP/mew

Enc

Cc: Darrell Dees; Warner A. Broughman, III; Duncan LeCompte Don/NSWC/McDowell, David R. - letter

North Shelby Water Company Louisville Transmission Main Estimated Cost of Operations

RECEIVED

AUG 1 1 2008

PUBLIC SERVICE
COMMISSION

The completion of the transmission main will allow the North Shelby Water Company to pump all of its water purchased from its supplier, Louisville Water Company, for all of the western portion of the company's service area. This amounts to approximately 258,694,100 gallons per year. The pumping costs will be less than current costs as the larger line will lower the friction loss in the pipeline. We expect the purchased power to be approximately \$0.1433 per 1,000 gallons pumped. The cost of pumping through the pipeline is expected to be \$37,074 on an annual basis.

The cost of field maintenance is expected to drop as the new line is put in service and few, if any repairs are needed in the 0-5 year time frame.

Additional savings will acquire from the reduction of stress on existing lines. Currently the company spends about \$80,000 per year on line maintenance or approximately \$225 per mile of installed pipe.