

North Shelby Water Company

PO Box 97

Bagdad, KY 40003

Toll Free 1-800-870-4148

(502) 747-8942

Fax: (502) 747-5048

Jerry Ruble, President

Lloyd Eades, Vice President

Tom Miginnis, Secretary/Treasurer

Kevin Armstrong, Director

James Anglin, Director

Herb McCoun, Director

Bryan Franklin, Director

Jim Smith, Director

September 19, 2016

Talina R. Mathews

Executive Director

KY Public Service Commission

PO Box 615

Frankfort, KY 40602

Case No. 2016-00354

RE: Formal Application to Increase Rates Pursuant to
Purchased Water Adjustment Regulation 807 KAR 5:068

RECEIVED

SEP 30 2016

PUBLIC SERVICE
COMMISSION

Dear Ms. Mathews

The North Shelby Water Company respectfully requests that the Commission allow for an adjustment to our rates in accordance with 807 KAR 5:068 Purchased Water Adjustment clause.

In accordance with the terms of a 2014 Joint Settlement Stipulation and Recommendation agreement between the Frankfort Electric & Water Plant Board and the North Shelby Water Company, effective November 1, 2016 the Frankfort Electric & Water Plant Board will implement a \$0.10 per 1000 gallon increase to our wholesale water purchase rates. The result of these increase is \$6,277.50 in additional yearly supply cost for the Company. This translates into \$0.02 per 1000 gallons of water sold to our customers. Therefore, we propose to increase our rates by that amount.

The following supporting documentation is enclosed for your review:

Exhibit A – Purchase Water Rate Adjustment

Exhibit B – 2014 Joint Settlement Stipulation and Recommendation

Exhibit C – Statement of Water Purchased

Exhibit D – Statement of Water Sold

Exhibit E – Notice to Customers

Exhibit F – Revised Tariff Sheet

Exhibit G – An executed copy of the Resolution of the Board of Directors formally authorizing the proposed rates.

The Notice to Customers will be published in accordance with Commission regulations and verification of its publication will be provided to the Commission.

Should you have any questions please contact Lee Mudd at (502) 839-1310, as he is handling this matter on behalf of the Company.

Sincerely,



Jerry Ruble, President

JR/jlm

PURCHASED WATER ADJUSTMENT FOR WATER DISTRICTS AND ASSOCIATIONS (807 KAR 5:068)			RECEIVED
Name of Utility	North Shelby Water Company		SEP 30 2016
Date	9/31/2016		PUBLIC SERVICE COMMISSION
Address	P.O. Box 97		
City, State, Zip	Bagdad, Kentucky	40003	
Telephone Number	(502) 747-8942		
1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.			
Supplier(s)	Base Rate	Changed Rate	
Frankfort Electric & Water Plant Board	Rate per 1000 gallons: \$2.35 KRA Withdraw Fee per 1000 gallons: \$0.20	Rate per 1000 gallons: \$2.45 KRA Withdraw Fee per 1000 gallons: \$0.20	
Louisville Water Company	Monthly Meter Service Charge: \$997.50 (Two (2) – 3" meters @ \$183.75 per meter) (Two (2) – 4" meters @ \$315.00 per meter) Rate per 1000 gallons: \$1.85 Elevated Area Surcharge per 1000 gallons: \$0.35	No Change	
Shelbyville Municipal Water & Sewer Commission	Rate per 1000 gallons: \$1.894	No Change	
West Shelby Water District	Rate per 1000 gallons: \$7.54	No Change	
1.b. A copy of the supplier's notice of the changed rates showing the effective date of the increases are attached as Exhibit B.			
2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).			
From	September 2015	through	August 2016
	(month and year)		(month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
Frankfort Electric & Water Plant Board	62,775,000
Louisville Water Company	325,222,000
Shelbyville Municipal Water & Sewer Commission	53,074,100
West Shelby Water District	0
TOTAL PURCHASES	441,071,100

4. Total sales for the 12 month period 363,928,900

5. Increased water cost \$6,277.50

The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

6. Purchased water adjustment factor \$0.02

The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.

Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.

7. Proposed effective date November 1, 2016



Signature of Utility Officer

President

Title

Increased Water Cost Calculation:

Frankfort Electric & Water Plant Board

$$(62,775 \times \$2.45) = \$153,798.75$$

$$(62,775 \times \$2.35) = \$147,521.25$$

Increased Water Cost = \$6,277.50

Purchased Water Adjustment Factor Calculation:

$$\text{Increased Cost of Water} = \$6,277.50$$

$$\text{Total Gallons Sold} = 363,928,900$$

$$\$6,277.50 / 363,928.9 = \$0.02 \text{ per 1000 Gallons}$$

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE)
WHOLESALE WATER SERVICE RATES OF) CASE NO.
FRANKFORT ELECTRIC AND WATER PLANT) 2014-00254
BOARD)

ORDER

On June 25, 2014, Frankfort Electric and Water Plant Board (“the Plant Board”) filed with the Commission a revised tariff setting forth a proposed adjustment to its existing wholesale water rate to public utilities effective on and after July 25, 2014. The cost-of-service study submitted by the Plant Board supported a wholesale water rate of \$3.18 per 1,000 gallons, increasing annual revenues by 59.8 percent. The Plant Board limited its request to an increase of 45 percent, which increases the current rate of \$2.01 per 1,000 gallons to \$2.91 per 1,000 gallons. On July 14, 2014, three water districts that are the Plant Board’s wholesale customers filed a motion to intervene. On July 18, 2014, four more water districts that are the Plant Board’s wholesale customers moved to intervene. On July 23, 2014, the Commission suspended the Plant Board’s proposed wholesale rate, established this docket to investigate the reasonableness of the proposed rate, and permitted the following parties to intervene in this matter: Elkhorn Water District (“Elkhorn”); North Shelby Water Company (“North Shelby”); Peaks Mill Water District (“Peaks Mills”); U.S. 60 Water District of Shelby and Franklin Counties (“U.S. 60”); Northeast Woodford County Water District (“Northeast Woodford”); Farmdale Water District (“Farmdale”); and South Anderson Water District (collectively

"Wholesale Intervenors"). The July 23, 2014 Order also included a procedural schedule and an information request from the Commission. The Plant Board responded to the Commission's information request on August 7, 2014.

The Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention ("AG"), submitted his motion for full intervention on August 6, 2014. The Commission granted the AG's motion for intervention on August 8, 2014. On August 14, 2014, North Shelby, U.S. 60, Elkhorn, Farmdale, Northeast Woodford, and Peaks Mill by counsel moved for a revised procedural schedule, which was granted by Commission Order dated August 15, 2014.

On August 19, 2014, Commission Staff, the Wholesale Intervenors, and the AG issued requests for information. Pursuant to the procedural schedule in the August 15, 2014 Order, the Plant Board filed its responses on September 2, 2014. The Plant Board also filed supplemental responses on September 16 and 17, 2014.

On October 1, 2014, Commission Staff, the Wholesale Intervenors, and the AG issued the next round of information requests. The revised procedural schedule required the Plant Board to file its responses to the supplemental requests by October 14, 2014. On October 13, 2014, the Commission issued an Order granting the Plant Board's motion to suspend the procedural schedule pending Commission approval of the parties' proposed settlement agreement. The Plant Board contends that the proposed settlement agreement makes the responses to the supplemental requests unnecessary. On October 10, 2014, the parties filed their Joint Settlement Stipulation and Recommendation, a copy of which is attached as Appendix A to this Order.

Having considered the Joint Settlement Stipulation and Recommendation, the Commission finds that the agreed-upon rate and other settlement provisions should be approved. The purpose of the Commission's jurisdiction over a municipal utility's wholesale transactions with a public utility is to ensure "that any water district consumer/customer that has contracted and become dependent for its supply of water from a city utility is not subject to either excessive rates or inadequate service." Simpson County Water District v. City of Franklin, 872 S.W.2d. 460, 465 (Ky. 1994).

In the case at bar, the purpose has been served. The intervenors that purchase water from the Plant Board made clear objections to the proposed rate adjustment. The Plant Board has apparently addressed the intervenors' concerns, and the parties have reached agreement on the appropriate rates for service for future years.

As the Joint Settlement Stipulation and Recommendation, on its face, appears neither unreasonable nor unconscionable, the Commission sees no need to conduct further proceedings in this matter.

IT IS THEREFORE ORDERED that:

1. The Joint Settlement Stipulation and Recommendation is approved.
2. The rates for wholesale water service set forth in the Joint Settlement Stipulation and Recommendation are approved for wholesale water service rendered on and after issuance of this Order.
3. The rates as set forth in Appendix B to this Order are approved for water service rendered by the Plant Board on and after the date of this Order.

4. Within 20 days of the date of this Order, Plant Board shall file revised tariff sheets with the Commission, using the Commission's electronic Tariff Filing System, setting forth the rates approved herein.

By the Commission

ENTERED
NOV 12 2014
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2014-00254

EXHIBIT B-5

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00254 DATED **NOV 12 2014**

Case No. 2014-00254

EXHIBIT B-6

RECEIVED

OCT 10 2014

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE WHOLESALE)
WATER SERVICE RATES OF THE FRANKFORT) CASE NO. 2014-00254
ELECTRIC AND WATER PLANT BOARD)

JOINT SETTLEMENT STIPULATION AND RECOMMENDATION

It is the intent and purpose of the parties to this proceeding, namely the applicant, Frankfort Electric and Water Plant Board ("Frankfort Plant Board" or "FPB"); and the Intervenors, Elkhorn Water District, Peaks Mill Water District, Farmdale Water District, Northeast Woodford County Water District, South Anderson Water District, North Shelby Water Company, U.S. 60 Water District of Shelby and Franklin Counties, Kentucky and the Attorney General of the Commonwealth of Kentucky ("Intervenors") to express their agreement on a mutually satisfactory resolution of all of the issues in the instant proceeding which shall hereafter be referred to as the "Stipulation" and/or "Recommendation".

It is understood by all parties hereto that this Recommendation is not binding upon the Public Service Commission ("Commission"), nor does it represent agreement on any specific theory supporting the appropriateness of any recommended adjustments to FPB's rates. The parties have expended considerable efforts to reach the stipulation and agreements that form the basis of this Recommendation. The parties, representing diverse interests and divergent viewpoints, agree that this Recommendation, viewed in its entirety, constitutes a reasonable resolution of all issues in this proceeding.

The adoption of this Recommendation will eliminate the need for the Commission and the parties to expend significant resources in litigation of this proceeding, and eliminate the possibility of, and any need for, rehearing or appeals of the Commission's final order. Therefore, the parties stipulate and recommend the following:

1. FPB should be permitted to adjust its rates to recover more in annual revenue than it is recovering under its current rates, with such rates to be effective for service rendered on and after November 1, 2014. The parties agree to phase in rate increases for the next four (4) years beginning with the current rate of \$2.25 per 1,000 gallons. Under this structure, the rates are as follows:

Year 1 (November 1, 2014 – October 31, 2015) - \$2.25 per 1,000 gallons

Year 2 (November 1, 2015 – October 31, 2016) - \$2.35 per 1,000 gallons

Year 3 (November 1, 2016 – October 31, 2017) - \$2.45 per 1,000 gallons

Year 4 (November 1, 2017 – October 31, 2018) - \$2.55 per 1,000 gallons

FPB will not increase the rates charged to the wholesale non-water producers (i.e. water districts and company) until after October 31, 2018. After October 31, 2018, FPB will continue to charge \$2.55 per 1,000 gallons until it files a revised tariff that is approved by the Commission. For the avoidance of doubt, changes in the Kentucky River Authority Withdrawal fee are not affected by this settlement.

The initial rate for water is established herein. Thereafter, all parties agree to attempt to resolve any future rate increases in good faith before filing with the Commission.

2. Each party waives all cross-examination of the witnesses of the other parties unless the Commission disapproves this Recommendation, and each party further stipulates and recommends that the testimony, pleadings and responses to data requests filed in this proceeding be admitted into the record.

3. This Recommendation is submitted for purposes of this case only and is not deemed binding upon the parties in any other proceeding, nor is it to be offered or relied upon in any other proceeding involving FPB or any other utility.

4. If the Commission issues an order adopting this Recommendation in its entirety, each of the parties agrees that it shall file neither an application for rehearing with the Commission, nor an appeal to the Franklin County Circuit Court with respect to that order.

5. If this Recommendation is not adopted in its entirety, each party reserves the right to withdraw from it and require that hearings go forward upon any or all matters involved, and that in such event the terms of this Recommendation shall not be deemed binding upon the parties, nor shall such Recommendation be admitted into evidence, or referred to, or relied upon in any manner by any party, the Commission, or its Staff in any such hearing.

6. The parties agree that the foregoing Recommendation is reasonable and in the best interests of all concerned, and urge the Commission to adopt the Recommendation in its entirety.

AGREED: This the ^{10th} ~~2nd~~ day of October, 2014.

**FRANKFORT ELECTRIC AND WATER
PLANT BOARD**

BY: Herbbie Bannister /s/ Herbbie Bannister
HERBBIE BANNISTER, ITS GENERAL MANAGER

SOUTH ANDERSON WATER DISTRICT

By: Raymond Edelman /s/ Raymond Edelman
RAYMOND EDELMAN, ESQ., ITS ATTORNEY

**NORTH SHELBY WATER COMPANY, U.S. 60
WATER DISTRICT OF SHELBY AND FRANKLIN
COUNTIES, KENTUCKY, NORTHEAST
WOODFORD COUNTY WATER DISTRICT,
FARMDALE WATER DISTRICT, ELKHORN WATER
DISTRICT, PEAKS MILL WATER DISTRICT**

BY: Donald T. Prather /s/ Donald T. Prather
DONALD T. PRATHER, ESQ., THEIR ATTORNEY

**ATTORNEY GENERAL OF THE COMMONWEALTH
OF KENTUCKY**

By: G. Gregory T. Dutton
JENNIFER BLACK HANS, ESQ.
GREGORY T. DUTTON, ESQ.,
ITS ATTORNEYS

The Electric and Water Plant Board
of the City of Frankfort, Kentucky
(NAME OF UTILITY)

FOR Entire Service Area

P.S.C. KY. NO. 1

1st Revised SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

Original SHEET NO. 1

RATES & CHARGES

APPLICABILITY: All wholesale water users regulated by the Public Service Commission purchasing water from the FEWPB for resale.

AVAILABILITY OF SERVICE: To all water districts.

RATE: Year 1 (November 1, 2014 – October 31, 2015) - \$2.25 per 1,000 gallons
Year 2 (November 1, 2015 – October 31, 2016) - \$2.35 per 1,000 gallons
Year 3 (November 1, 2016 – October 31, 2017) - \$2.45 per 1,000 gallons
Year 4 (November 1, 2017 – October 31, 2018) - \$2.55 per 1,000 gallons

CONDITIONS OF SERVICE: Pursuant to contract.

NOTE: As of November 1, 2014, this tariff sheet cancels and replaces all other tariff sheets on file containing general rates applicable to wholesale water districts and implements the general rates established herein. FPB's tariff sheet containing charges for the Kentucky River Authority withdrawal fee on file with the Commission shall remain in full force and effect.

DATE OF ISSUE: October 10, 2014
MONTH / DATE / YEAR

DATE EFFECTIVE: November 1, 2014
MONTH / DATE / YEAR

ISSUED BY: *Heather Brannister*
SIGNATURE OF OFFICER

TITLE: General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00254 DATED ~~NOV 12 2014~~

The following rates and charges are prescribed for the customers in the area served by Frankfort Electric and Water Plant Board. 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

Year 1 (Effective Date of this Order – October 31, 2015) - \$2.25 per 1,000 gallons

Year 2 (November 1, 2015- October 31, 2016) - \$2.35 per 1,000 gallons

Year 3 (November 1, 2016 – October 31, 2017) - \$2.45 per 1,000 gallons

Year 4 (November 1, 2017 – October 31, 2018) - \$2.55 per 1,000 gallons

Gregory T Dutton
Assistant Attorney General
Office of the Attorney General Utility & Rate
1024 Capital Center Drive
Suite 200
Frankfort, KENTUCKY 40601-8204

Honorable Ray Edelman
Attorney At Law
150 South Main Street
Lawrenceburg, KENTUCKY 40342

Honorable John N Hughes
Attorney at Law
124 West Todd Street
Frankfort, KENTUCKY 40601

Honorable Donald T Prather
Mathis, Riggs & Prather, P.S.C. Attorneys at Law
500 Main Street
Suite 5
Shelbyville, KENTUCKY 40065

Honorable Hance Price
Attorney at Law
Frankfort Electric & Water Plant Board
317 W. Second Street
P. O. Box 308
Frankfort, KY 40602

Jerry Ruble
President
North Shelby Water Company
4596 Bagdad Road
P. O. Box 97
Bagdad, KY 40003

**STATEMENT OF WATER PURCHASED
NORTH SHELBY WATER COMPANY**

FRANKFORT ELECTRIC & WATER PLANT BOARD

Month	Usage/Gallons	Total Cost
September 2015	7,650,000	18,742.50
October	5,965,000	14,614.25
November	5,150,000	12,617.50
December	5,060,000	13,344.18
January	4,155,000	10,595.25
February	4,320,000	11,016.00
March	4,500,000	11,475.00
April	4,260,000	10,863.00
May	5,120,000	13,056.00
June	4,510,000	11,500.50
July	4,640,000	11,832.00
August 2016	7,445,000	18,984.75
TOTAL	62,775,000	\$158,640.93

LOUISVILLE WATER COMPANY

Month	Usage/Gallons	Total Cost
September 2015	34,401,000	74,901.01
October	35,413,000	77,139.41
November	29,021,000	63,315.61
December	25,676,000	56,110.96
January	25,144,000	54,998.46
February	32,506,000	70,889.36
March	27,278,000	59,586.56
April	19,570,000	42,983.06
May	22,280,000	48,934.74
June	19,761,000	46,617.76
July	36,020,000	78,968.22
August 2016	18,152,000	40,607.78
TOTAL	325,222,000	\$715,052.93

SHELBYVILLE MUNICIPAL WATER & SEWER COMMISSION

Month	Usage/Gallons	Total Cost
September 2015	1,054,600	1,997.42
October	1,225,300	2,320.72
November	939,500	1,779.42
December	802,500	1,519.93
January	825,100	1,562.74
February	735,500	1,393.04
March	3,001,900	5,710.60
April	7,896,500	14,955.97
May	8,012,600	15,175.86
June	7,663,000	14,513.72
July	10,596,200	20,069.21
August 2016	10,321,400	19,548.74
TOTAL	53,074,100	\$100,547.37

WEST SHELBY WATER DISTRICT

Month	Usage/Gallons	Total Cost
September 2015	0	\$0.00
October	0	0.00
November	0	0.00
December	0	0.00
January	0	0.00
February	0	0.00
March	0	0.00
April	0	0.00
May	0	0.00
June	0	0.00
July	0	0.00
August 2016	0	0.00
TOTAL	0	\$0.00

**STATEMENT OF WATER SOLD
NORTH SHELBY WATER COMPANY**

Month	Residential	Commercial	Other	Total Gallons Sold
September 2015	27,598,200	3,444,800	100,200	31,143,200
October	32,678,500	2,354,400	214,100	35,247,000
November	26,691,800	2,718,700	161,500	29,572,000
December	23,033,300	2,560,500	183,300	25,777,100
January	23,956,200	2,967,400	155,800	27,079,400
February	23,282,200	8,698,100	122,600	32,102,900
March	22,847,200	2,357,500	196,000	25,400,700
April	22,716,800	4,084,900	214,700	27,016,400
May	23,521,100	3,338,100	163,300	27,022,500
June	26,163,100	3,599,200	245,100	30,007,400
July	33,577,600	4,424,200	40,300	38,042,100
August 2016	31,472,800	4,013,700	31,700	35,518,200
TOTAL	317,538,800	44,561,500	1,828,600	363,928,900

LEGAL NOTICE REGARDING THE NORTH SHELBY WATER COMPANY

Notice is hereby given that because of an increase in the cost of water purchased from the Louisville Water Company, the North Shelby Water Company will increase its rates for services effective July 1, 2016. An application requesting the proposed rates was filed with the Kentucky Public Service Commission on May 31, 2016 to increase rates as follows:

	<u>Existing Rates</u>	<u>Proposed Rates</u>	<u>Increase (\$)</u>	<u>Increase (%)</u>
<u>5/8" x 3/4" Meters:</u>				
First 2,000 gallons	\$20.63 Minimum Bill	\$20.67 Minimum Bill	\$0.04	0.19%
Next 3,000 gallons	\$7.17 per 1,000 gallons	\$7.19 per 1,000 gallons	\$0.02	0.28%
Next 5,000 gallons	\$5.79 per 1,000 gallons	\$5.81 per 1,000 gallons	\$0.02	0.35%
Next 40,000 gallons	\$5.10 per 1,000 gallons	\$5.12 per 1,000 gallons	\$0.02	0.39%
Over 50,000 gallons	\$4.42 per 1,000 gallons	\$4.44 per 1,000 gallons	\$0.02	0.45%
<u>1" Meters:</u>				
First 5,000 gallons	\$42.14 Minimum Bill	\$42.24 Minimum Bill	\$0.10	0.24%
Next 5,000 gallons	\$5.79 per 1,000 gallons	\$5.81 per 1,000 gallons	\$0.02	0.35%
Next 40,000 gallons	\$5.10 per 1,000 gallons	\$5.12 per 1,000 gallons	\$0.02	0.39%
Over 50,000 gallons	\$4.42 per 1,000 gallons	\$4.44 per 1,000 gallons	\$0.02	0.45%
<u>1 1/2" Meters:</u>				
First 10,000 gallons	\$71.09 Minimum Bill	\$71.29 Minimum Bill	\$0.20	0.28%
Next 40,000 gallons	\$5.10 per 1,000 gallons	\$5.12 per 1,000 gallons	\$0.02	0.39%
Over 50,000 gallons	\$4.42 per 1,000 gallons	\$4.44 per 1,000 gallons	\$0.02	0.45%
<u>2" Meters:</u>				
First 15,000 gallons	\$96.59 Minimum Bill	\$96.89 Minimum Bill	\$0.30	0.31%
Next 35,000 gallons	\$5.10 per 1,000 gallons	\$5.12 per 1,000 gallons	\$0.02	0.39%
Over 50,000 gallons	\$4.42 per 1,000 gallons	\$4.44 per 1,000 gallons	\$0.02	0.45%
<u>3" Meters:</u>				
First 35,000 gallons	\$198.59 Minimum Bill	\$199.29 Minimum Bill	\$0.70	0.35%
Next 15,000 gallons	\$5.10 per 1,000 gallons	\$5.12 per 1,000 gallons	\$0.02	0.39%
Over 50,000 gallons	\$4.42 per 1,000 gallons	\$4.44 per 1,000 gallons	\$0.02	0.45%

As noted above, based on the increased cost of water from the Louisville Water Company all rates will increase \$0.02 per 1,000 gallons. The monthly bill for a customer using an average of 5,000 gallons of water each month will increase from \$42.14 to \$42.24. This is an increase of \$0.10 or 0.24%.

The charges/rates contained in this notice are the charges/rates proposed by the North Shelby Water Company. However, the Public Service Commission may order charges/rates to be charged that differ from these proposed charges/rates. Such action may result in charges/rates for consumers other than the charges/rates detailed in this notice.

Any person may examine this application at the offices of the North Shelby Water Company office located at 4596 Bagdad Road in Bagdad, Kentucky. In addition, any person may also examine the application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's website at <http://psc.ky.gov>. Any comments regarding the application may be submitted to the Public Service Commission through its website or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602. The Public Service Commission can also be contacted at 502-564-3940.

This notice is published pursuant to 807 KAR 5:068 - Purchased Water Adjustment for Water Districts and Water Associations.

NORTH SHELBY WATER COMPANY
s/ Jerry Ruble, President

EXHIBIT E

FOR ALL AREAS SERVED

P.S.C. KY. NO. _____

SHEET NO. _____

North Shelby Water Company
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

SHEET NO. _____

RATES AND CHARGES

MONTHLY RATES:

5/8 x 3/4 Inch Meters:

First 2,000 gallons	\$20.67 Minimum Bill
Next 3,000 gallons	\$7.19 per 1,000 gallons
Next 5,000 gallons	\$5.81 per 1,000 gallons
Next 40,000 gallons	\$5.12 per 1,000 gallons
Over 50,000 gallons	\$4.44 per 1,000 gallons

1 Inch Meters:

First 5,000 gallons	\$42.24 Minimum Bill
Next 5,000 gallons	\$5.81 per 1,000 gallons
Next 40,000 gallons	\$5.12 per 1,000 gallons
Over 50,000 gallons	\$4.44 per 1,000 gallons

1 1/2 Inch Meters:

First 10,000 gallons	\$71.29 Minimum Bill
Next 40,000 gallons	\$5.12 per 1,000 gallons
Over 50,000 gallons	\$4.44 per 1,000 gallons

2 Inch Meters:

First 15,000 gallons	\$96.89 Minimum Bill
Next 35,000 gallons	\$5.12 per 1,000 gallons
Over 50,000 gallons	\$4.44 per 1,000 gallons

3 Inch Meters:

First 35,000 gallons	\$199.29 Minimum Bill
Next 15,000 gallons	\$5.12 per 1,000 gallons
Over 50,000 gallons	\$4.44 per 1,000 gallons

DATE OF ISSUE September 30, 2016
Month / Date / Year

DATE EFFECTIVE November 1, 2016
Month / Date / Year

ISSUED BY Jerry Ruble 
(Signature of Officer)

TITLE President

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

RESOLUTION OF AUTHORIZATION

The North Shelby Water Company, Bagdad, Kentucky hereby orders an increase in the Company's rates for service pursuant to 807 KAR 5:068: Purchased Water Adjustment Regulation. This action is required due to an increase in the cost of water purchased from the Frankfort Electric & Water Plant Board effective on November 1, 2016. The terms of the rate increase shall be consistent with the Company's application to the Public Service Commission to be submitted on or after September 30, 2016. The rates proposed therein shall become effective for service rendered on or after November 1, 2016.

Action herein ordered shall be duly recorded in the minutes of this public meeting of the North Shelby Water Company held on this the 19th day of September, 2016.

Ordered this 19th day of September, 2016.

Signed:



Jerry Ruble, President

Attest:



Tom McGinnis Secretary/Treasurer