

North Shelby Water Company

PO Box 97

Bagdad, KY 40003

Toll Free 1-800-870-4148

(502) 747-8942

Fax: (502) 747-5048

RECEIVED

AUG 21 2018

PUBLIC SERVICE
COMMISSION**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**

August 20, 2018

Ms. Gwen R. Pinson

Executive Director

KY Public Service Commission

PO Box 615

Frankfort, KY 40602

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

Dear Ms. Pinson:

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.

The Company was recently notified by its supplier, the Frankfort Electric & Water Plant Board, that it will increase the Kentucky River Authority Withdraw Fee by \$0.09 per 1000 gallons. This increase was effective on July 26, 2018. The result of these increases is \$6,689.61 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 – Copy of Frankfort Electric & Water Plant Board's Notice of an Increase in the KRA Withdraw Fee

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

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PURCHASED WATER ADJUSTMENT FOR WATER DISTRICTS AND ASSOCIATIONS (807 KAR 5:068)			AUG 21 2018 PUBLIC SERVICE COMMISSION
Name of Utility	North Shelby Water Company		
Date	8/21/2018		
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: \$2.55 KRA Withdraw Fee per 1000 gallons: \$0.20	Rate per 1000 gallons: \$2.55 KRA Withdraw Fee per 1000 gallons: \$0.29	
Louisville Water Company	Monthly Meter Service Charge: \$1,062.10 (Two (2) – 3” meters @ \$195.65 per meter) (Two (2) – 4” meters @ \$335.40 per meter) Rate per 1000 gallons: \$1.93 Elevated Area Surcharge per 1000 gallons: \$0.37	No Change	
Shelbyville Municipal Water & Sewer Commission	Rate per 1000 gallons: \$2.11	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	August 2017 (month and year)	through	July 2018 (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	74,329,000
Louisville Water Company	263,215,000
Shelbyville Municipal Water & Sewer Commission	104,689,900
West Shelby Water District	0
TOTAL PURCHASES	442,233,900

4. Total sales for the 12 month period 377,918,500

5. Increased water cost \$6,689.61

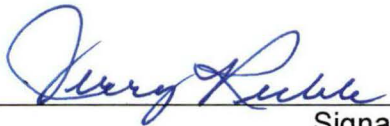
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

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 October 1, 2018



Signature of Utility Officer

President
Title

Increased Water Cost Calculation:

Frankfort Electric & Water Plant Board KRA Fee

$$(74,329 \times \$0.29) = \$21,555.41$$

$$(74,329 \times \$0.22) = \$14,865.80$$

$$\text{Increased Water Cost} = \$6,689.61$$

Purchased Water Adjustment Factor Calculation:

$$\text{Increased Cost of Water} = \$6,689.61$$

$$\text{Total Gallons Sold} = 377,918,500$$

$$\begin{aligned} \$6,689.61 / 377,918.5 &= \$0.0177 \text{ per 1000 Gallons} \\ &= \$0.02 \text{ per 1000 Gallons} \end{aligned}$$



FRANKFORT PLANT BOARD

ELECTRIC • WATER • CABLE-TELECOM

Serving the community for 75 years.



June 26, 2018

North Shelby Water District
P.O. Box 97
Bagdad, KY 40003
Attn: David Hedges

Re: Kentucky River Authority Withdrawal Fee (Tier II)

Dear Mr. Hedges:

As you know, FPB withdraws water from the Kentucky River that is used to supply our customers. Recently, the Kentucky River Authority increased its withdrawal fee. This fee is a "pass through". That is, FPB remits these funds to the Kentucky River Authority. Nevertheless, FPB is required to file a new tariff for this fee with the Public Service Commission.

Enclosed is a filing notice and a new tariff that FPB filed with the Public Service Commission on June 26, 2018 reflecting an increase in the Kentucky River Authority withdrawal fee. The Kentucky River Authority increased its Tier II water use fee by 9 cents from 13.0 cents to 22 cents per 1,000 gallons. We expect the new rate to be effective July 26, 2018.

Based on North Shelby's average monthly usage, the proposed increase of 9 cents per 1,000 gallons will be approximately \$530.35 per month

If you have any questions, please do not hesitate to contact me at (502) 352-4570 or ddenton@fewpb.com.

Sincerely,

David Denton, CPA
Interim General Manager

DD/kp
enclosures

NOTICE

The Electric and Water Plant Board of the City of Frankfort, Kentucky ("FPB") filed a proposed rate schedule on June 26, 2018 with the Public Service Commission which will increase the Kentucky River Authority Fee provided as follows:

<u>Customer</u>	<u>Present Rate per 1,000 gallons</u>	<u>Proposed Rate per 1,000 gallons</u>	<u>Percentage Difference</u>	<u>Dollar Difference per 1,000 gallons</u>	<u>Average Monthly Usage</u>	<u>Effect on Average Monthly Bill</u>
Elkhorn Water District	20.0 cents	29.0 cents	45%	9 cents	5,115,758 gallons	\$460.42
Farmdale Water District	20.0 cents	29.0 cents	45%	9 cents	20,194,692 gallons	\$1,817.52
North Shelby Water District	20.0 cents	29.0 cents	45%	9 cents	5,892,833 gallons	\$530.35
Peaks Mill Water District	20.0 cents	29.0 cents	45%	9 cents	6,450,808 gallons	\$580.57
South Anderson Water District	20.0 cents	29.0 cents	45%	9 cents	9,285,158 gallons	\$835.66
U.S. 60 Water District	20.0 cents	29.0 cents	45%	9 cents	10,340,283 gallons	\$930.63
Northeast Woodford Water District	20.0 cents	29.0 cents	45%	9 cents	3,938,958 gallons	\$354.51

The proposed effective date is **July 26, 2018. (This date is subject to change)**

The rates contained in this notice are the rates proposed by FPB. However, the Public Service Commission may order rates to be charged that differ from the proposed rate contained in this notice.

Comments regarding the rate schedule may be submitted to the Public Service Commission through its web site or by mail to Public Service Commission, P.O. Box 615, Frankfort, KY 40602.

Any corporation, association, or person may submit a timely written request for intervention to the Public Service Commission, P.O. Box 615 Frankfort, KY 40602 establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of the notice, the Commission may take final action on the rate schedule.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate schedule and any other filings made by FPB at its office located at 151 Flynn Avenue, Frankfort, Kentucky 40601; or by telephoning Hance Price at (502) 352-4570.

Any person may examine the rate schedule and other filings made by FPB at its office located at 151 Flynn Avenue, Frankfort, Kentucky 40601, or by contacting the Public Service Commission at 211 Sower Boulevard in Frankfort, Kentucky; telephone 502-564-3940, Monday through Friday, 8:30 a.m. to 4:30 p.m., or through the Commission's website at <http://psc.ky.gov>.



COMMONWEALTH OF KENTUCKY

MATT BEVIN
Governor

KENTUCKY RIVER AUTHORITY
403 WAPPING STREET, SUITE 106
FRANKFORT, KENTUCKY 40601
OFFICE (502) 564-2866
FAX (502) 564-2881
KRA.ky.gov

JERRY T. GRAVES
Executive Director

MICHAEL H. FLYNN
Chairman

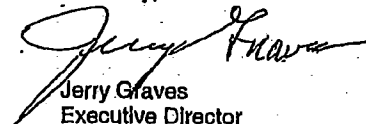
April 23, 2018

Ms. Angela Riddle
Frankfort Plant Board
161 Flynn Avenue
P.O. Box 308
Frankfort, KY 40601

Dear Ms. Riddle:

The Kentucky River Authority, at its April 9th board meeting, voted to adjust the Tier II water withdrawal fee set forth in administrative regulation 420 KAR 1:050. Beginning July 1, 2018 the new Tier II rate will be \$0.22 per 1,000 gallons of water withdrawn. (Currently this rate is \$0.13 per 1,000 gallons). The Tier I rate will remain unchanged. This rate increase is necessary to fund the debt service required for the capital improvements at Dam 10 on the Kentucky River. If you have any questions, please call our office at (502) 564-2866.

Sincerely,


Jerry Graves
Executive Director
Kentucky River Authority

KentuckyUnbridledSpirit.com



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EXHIBIT B-3

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

FRANKFORT ELECTRIC & WATER PLANT BOARD

Month	Usage/Gallons	Total Cost
August 2017	6,225,000	16,496.25
September	7,315,000	19,384.75
October	6,285,000	16,655.25
November	5,605,000	14,853.25
December	6,435,000	17,071.68
January	5,613,000	15,435.75
February	6,789,000	18,669.75
March	6,669,000	18,339.75
April	5,797,000	15,941.75
May	4,461,000	12,267.75
June	6,045,000	16,623.75
July 2018	7,090,000	19,497.50
TOTAL	74,329,000	\$201,237.18

LOUISVILLE WATER COMPANY

Month	Usage/Gallons	Total Cost
August 2017	16,613,000	37,986.43
September	24,870,000	56,901.98
October	26,700,000	61,221.88
November	22,610,000	51,816.98
December	21,454,000	49,350.92
January	18,602,000	42,832.72
February	22,854,000	52,568.38
March	18,061,000	41,621.68
April	16,856,000	38,864.27
May	17,431,000	40,231.69
June	22,903,000	52,611.17
July 2018	34,261,000	78,503.95
TOTAL	263,215,000	\$604,512.05

SHELBYVILLE MUNICIPAL WATER & SEWER COMMISSION

Month	Usage/Gallons	Total Cost
August 2017	9,880,500	19,365.78
September	9,864,700	19,334.81
October	8,912,200	17,563.95
November	7,854,600	15,395.01
December	7,824,400	15,335.82
January	7,380,300	15,572.43
February	9,194,800	19,401.03
March	8,573,300	18,089.67
April	7,098,600	14,978.05
May	8,711,700	18,381.69
June	8,819,200	18,608.51
July 2018	10,575,600	22,314.52
TOTAL	104,689,900	\$214,341.27

WEST SHELBY WATER DISTRICT

Month	Usage/Gallons	Total Cost
August 2017	0	\$0.00
September	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 2018	0	0.00
TOTAL	0	\$0.00

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

Month	Residential	Commercial	Other	Total Gallons Sold
August 2017	36,134,100	776,700	4,114,500	41,025,300
September	28,296,600	417,500	3,906,700	32,620,800
October	28,940,700	433,900	4,607,200	33,981,800
November	26,842,800	680,600	5,069,000	32,592,400
December	20,244,000	255,400	3,852,600	24,352,000
January	24,102,500	399,700	2,526,200	27,028,400
February	32,074,700	279,100	3,073,900	35,427,700
March	23,038,400	144,500	3,555,000	26,737,900
April	21,752,500	159,100	3,047,700	24,959,300
May	22,405,100	262,100	3,113,000	25,780,200
June	29,278,600	618,000	3,560,500	33,457,100
July 2018	35,046,200	1,022,800	3,886,600	39,955,600
TOTAL	328,156,200	5,449,400	44,312,900	377,918,500

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 Frankfort Plant Board, the North Shelby Water Company will increase its rates for services effective October 1, 2018. An application requesting the proposed rates was filed with the Kentucky Public Service Commission on August 21, 2018 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	\$22.46 Minimum Bill	\$22.50 Minimum Bill	\$0.04	0.18%
Next 3,000 gallons	\$7.53 per 1,000 gallons	\$7.55 per 1,000 gallons	\$0.02	0.27%
Next 5,000 gallons	\$6.15 per 1,000 gallons	\$6.17 per 1,000 gallons	\$0.02	0.33%
Next 40,000 gallons	\$5.46 per 1,000 gallons	\$5.48 per 1,000 gallons	\$0.02	0.37%
Over 50,000 gallons	\$4.78 per 1,000 gallons	\$4.80 per 1,000 gallons	\$0.02	0.42%
<u>1" Meters:</u>				
First 5,000 gallons	\$45.05 Minimum Bill	\$45.15 Minimum Bill	\$0.10	0.22%
Next 5,000 gallons	\$6.15 per 1,000 gallons	\$6.17 per 1,000 gallons	\$0.02	0.33%
Next 40,000 gallons	\$5.46 per 1,000 gallons	\$5.48 per 1,000 gallons	\$0.02	0.37%
Over 50,000 gallons	\$4.78 per 1,000 gallons	\$4.80 per 1,000 gallons	\$0.02	0.42%
<u>1 1/2" Meters:</u>				
First 10,000 gallons	\$75.80 Minimum Bill	\$76.00 Minimum Bill	\$0.20	0.26%
Next 40,000 gallons	\$5.46 per 1,000 gallons	\$5.48 per 1,000 gallons	\$0.02	0.37%
Over 50,000 gallons	\$4.78 per 1,000 gallons	\$4.80 per 1,000 gallons	\$0.02	0.42%
<u>2" Meters:</u>				
First 15,000 gallons	\$103.10 Minimum Bill	\$103.40 Minimum Bill	\$0.30	0.29%
Next 35,000 gallons	\$5.46 per 1,000 gallons	\$5.48 per 1,000 gallons	\$0.02	0.37%
Over 50,000 gallons	\$4.78 per 1,000 gallons	\$4.80 per 1,000 gallons	\$0.02	0.42%
<u>3" Meters:</u>				
First 35,000 gallons	\$212.30 Minimum Bill	\$213.00 Minimum Bill	\$0.70	0.33%
Next 15,000 gallons	\$5.46 per 1,000 gallons	\$5.48 per 1,000 gallons	\$0.02	0.37%
Over 50,000 gallons	\$4.78 per 1,000 gallons	\$4.80 per 1,000 gallons	\$0.02	0.42%

As noted above, based on the increased cost of water from the Frankfort Plant Board 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 \$45.05 to \$45.15. This is an increase of \$0.10 or 0.22%.

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. 2

ORIGINAL SHEET NO. 1

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

SHEET NO. _____

North Shelby Water Company
(Name of Utility)

RATES AND CHARGES

MONTHLY RATES:

5/8 x 3/4 Inch Meters:

First 2,000 gallons	\$22.50 Minimum Bill
Next 3,000 gallons	\$7.55 per 1,000 gallons
Next 5,000 gallons	\$6.17 per 1,000 gallons
Next 40,000 gallons	\$5.48 per 1,000 gallons
Over 50,000 gallons	\$4.80 per 1,000 gallons

1 Inch Meters:

First 5,000 gallons	\$45.15 Minimum Bill
Next 5,000 gallons	\$6.17 per 1,000 gallons
Next 40,000 gallons	\$5.48 per 1,000 gallons
Over 50,000 gallons	\$4.80 per 1,000 gallons

1 1/2 Inch Meters:

First 10,000 gallons	\$76.00 Minimum Bill
Next 40,000 gallons	\$5.48 per 1,000 gallons
Over 50,000 gallons	\$4.80 per 1,000 gallons

2 Inch Meters:

First 15,000 gallons	\$103.40 Minimum Bill
Next 35,000 gallons	\$5.48 per 1,000 gallons
Over 50,000 gallons	\$4.80 per 1,000 gallons

3 Inch Meters:

First 35,000 gallons	\$213.00 Minimum Bill
Next 15,000 gallons	\$5.48 per 1,000 gallons
Over 50,000 gallons	\$4.80 per 1,000 gallons

(I)



DATE OF ISSUE August 21, 2018
Month / Date / Year

DATE EFFECTIVE October 1, 2018
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 July 26, 2018. 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 August 21, 2018. The rates proposed therein shall become effective for service rendered on or after October 1, 2018.

Action herein ordered shall be duly recorded in the minutes of this public meeting of the North Shelby Water Company held on this the 20th day of August, 2018.

Ordered this 20th day of August, 2018.

Signed:



Jerry Ruble, President

Attest:



Tom McGinnis Secretary/Treasurer