

COMMISSIONERS

Ray Larmee,
Chairman

Ben Quinn,
Secretary

Bob McDowell,
Treasurer

West Shelby Water District

7101 Shelbyville Rd.

P.O. Box 39

Simpsonville, KY 40067

(502) 722-8944

E-mail: info@westshelbywater.org

MANAGERS

Wanda Land,
Co-Manager

Steve Eden,
Co-Manager

March 23, 2007

RECEIVED

MAR 26 2007

PUBLIC SERVICE
COMMISSION

Public Service Commission
Division of Rates and Tariffs
211 Sower Blvd.
P. O. Box 615
Frankfort, KY 40602

To Whom It May Concern:

Case No. 7007-00179

The West Shelby Water District respectfully requests that the Public Service Commission allow us to make an adjustment in our rates in accordance with 807 KAR 5:068 Purchased Water Adjustments for Water Districts, effective May 1, 2007.

Our supplier, Louisville Water Company, has informed the District that an increase will take effect May 1, 2006. The District purchased 256,854,400 gallons of water from February 1, 2006 through January 31, 2007 at a total cost of \$423,088.25. The District sold 230,803,000 gallons of water to its customers. With the wholesale increase the new cost is expected to be \$440,175.37. The difference between the old cost and new cost will be \$17,087.12. The incremental cost in terms of water sold is \$0.07 (\$0.074) cents per 1,000 gallons. We propose to raise each 1,000-gallon block that amount.

The following documents are enclosed:

- Exhibit A: Purchase Water Adjustment for Water District Form (PSC Form)
- Exhibit B: Supplier's Notice of Changed Rate (2 pages, plus a 20 page booklet of the Louisville Water Company 2006 Rate Schedule)
- Exhibit C: West Shelby's response letter to Louisville Water Co.
- Exhibit D: Statement of Water Purchases
- Exhibit E: Statement of Water Sold
- Exhibit F: Increase water cost calculations
- Exhibit G: Notice to Customers
- Exhibit H: Revised Tariff Sheet (plus 4 copies)

If you have any questions, please contact me at (502) 722-8944.

Yours truly,

Wanda H. Land, Manager
West Shelby Water District

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PURCHASED WATER ADJUSTMENT FOR WATER DISTRICTS AND ASSOCIATIONS (807) KAR 5:068

1. Names of all wholesale suppliers and the base rate and changed rate of each:

<u>SUPPLIERS</u>	<u>BASE RATE</u>	<u>CHANGED RATE</u>
Louisville Water Company	\$1.68 per 1,000 gals. Plus \$252.23 monthly service charge	\$1.71 per 1,000 gals. Plus \$268.38 monthly service charge
Shelbyville Municipal Water	\$1.68 per 1,000 gals.	No change.

- 1.b. A copy of the supplier's notice of the changed rate, with the effective date of the increase is attached. (Exhibit "B")

2. The twelve-month period upon which Purchased Water Adjustment is based:

From February 1, 2006 through January 31, 2007

3. Statement of Water Purchases from each supplier. (Exhibit "C")

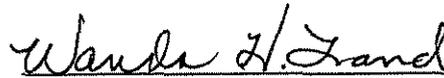
<u>SUPPLIER(S)</u>	<u>GALLONS PURCHASED DURING 12 MONTH PERIOD</u>
Louisville Water Company	181,314,000
Shelbyville Municipal Water	<u>75,540,400</u>
Total	<u>256,854,400</u>

4. Total sales for the 12-month period was 230,803,000 gallons. (EXHIBIT "D")

5. Increased water cost is the difference between purchases at base (current rate) and purchases at new rate: \$17,087.12. (EXHIBIT "E")

6. Purchased Water Adjustment Factor \$0.074 per 1,000 gallons.

7. The proposed effective date of the new rate is May 1, 2007.


Wanda H. Land, Co-Manager
West Shelby Water District



LOUISVILLE WATER COMPANY

550 SOUTH THIRD STREET • LOUISVILLE, KENTUCKY 40202

TEL 502-569-3600

WWW.LOUISVILLEWATER.COM

February 2, 2007

Ms. Wanda Land
Co-Manager
West Shelby Water District
P.O. Box 26
Simpsonville, KY 40067

Dear Ms. Land:

On behalf of Louisville Water Company, thank you for attending the meeting of our wholesale customers last week. I appreciate the opportunity for feedback from this important customer group of our Company. Please find enclosed a copy of Bob Miller's comments, our 2006 Rate Study for FY 2007, and a copy of *Principles of Water Rates, Fees, and Charges*.

As indicated in paragraph 6.03 of the rate schedule, the rate for wholesale water service on and after May 1, 2007 will be \$1.44 per thousand gallons, plus an elevated service area surcharge of \$0.27 per thousand gallons. This new rate is subject to approval by the Public Service Commission. We are planning to file the necessary documentation for this new rate with the PSC in early March.

I again offer any assistance West Shelby may need, as we continue to bring the wholesale rates in line with our cost of service. Patti Kaelin will be following up with you during the next several weeks. In the meantime, if you have any questions please call her at 502.569.3600 ext. 2262, or Jim Smith at ext. 3687.

Sincerely,

John L. Huber
President

C: Jim Brammell
Bob Miller

EXHIBIT "B"

**Louisville Water Company Meeting with Wholesale Customers
Information on Plans for Water Rates and Ratemaking Process**

**Crescent Hill Water Treatment Plant
January 24, 2006**

- We met last on January 20, 2006 at the Allmond Avenue Distribution Center – we’ve scheduled this meeting again in January to allow adequate planning time for the notice of a rate increase. This is our fourth annual increase in wholesale water rates after going ten years without an increase.
- We propose to increase wholesale water rates in 2007 by 4.9% or 8 cents to bring the rate up to the level that we described last year (4.3% or 6 cents in the general pressure area).

	2006	2007
Service Charges		
Monthly Service Charge for a Three Inch Meter	\$92.93	\$98.88
Monthly Service Charge for a Four Inch Meter	\$159.30	\$169.50
Monthly Service Charge for a Six Inch Meter	\$371.70	\$395.50
Commodity Charges		
Wholesale Rate per Thousand Gallons	\$1.38	\$1.44
Elevated Service Area Surcharge per Thousand Gallons	\$0.25	\$0.27

The key drivers of this rate increase are operations and maintenance expenses for wages, pensions, and medical insurance without an increase in staff size and depreciation expense for capital projects to be completed in 2007. It is important to note that this increase will not bring us up to the cost-of-service computed as of the beginning of 2007. However, we will abide by the not-to-exceed estimate that we provided at last year’s meeting.

- Because we have presented a summary of our ratemaking practices at previous meeting, we will not be repeating that information here. However, we will provide each of your utilities with a copy of the ratemaking manual from the American Water Works Association titled “*Principles of Water Rates, Fees, and Charges*”. This manual contains the cost-of-service methodology that we use in preparing our rate study each year. We would be pleased to meet with each of your utilities to answer any questions that you have about how the rates are computed.
- We anticipate that we will need moderate annual increases in the future. Rates to our retail customers increased by 6.5% this year. As we indicated in past years, we want to continue making certain that our wholesale customers are advised well in advance of our rate plans. So, for planning purposes, I anticipate that another increase of not more than 11 cents per thousand gallons will be needed in the second quarter of 2008. This represents an increase of 6.4%.
- One of the significant business challenges facing Louisville Water Company is the continuing flat, if not declining, water sales within Jefferson County. We are continuing to see declines in industrial usage and indoor residential usage. In all of this, we want to continue to provide assurance that Louisville Water Company will not charge its wholesale customers more than the cost of service. That is, our wholesale customers will not be asked to subsidize our retail customers. Likewise, we do not ask our retail customers to subsidize our wholesale customers.
- We are targeting to implement this new rate in the second quarter of 2007 (effective May 1st). We are willing to help communicate this issue to your governing boards, to your customers, and your local newspapers. And, for those of you regulated by the Public Service Commission, we will certainly provide whatever assistance that we can in preparing the documentation needed for filing.

LOUISVILLE WATER COMPANY

2006 RATE SCHEDULE

FOR FY 2007

**Presented to:
Louisville Water Company
Board of Water Works
December 12, 2006**

WATER RATES

LOUISVILLE WATER COMPANY LOUISVILLE, KENTUCKY

BOARD OF WATER WORKS RULES AND REGULATIONS

6.00 RATES

6.01 For the purpose of classifying revenues, and to provide for different classes of rates, there shall be established seven (7) classes of customers and five (5) areas of service.

The classes of customers shall be identified as:

Residential
Commercial
Industrial
Fire Service
Fire Hydrants
Municipal
Wholesale

The areas of service shall be identified as:

Retail Service Area
Kentucky Turnpike #1 Area
Kentucky Turnpike #2 Area
Goshen Utilities Area
Shepherdsville Area

6.02 The rate charge for metered water service shall be comprised of three components except for municipal customers as defined in KRS 96.270 who shall be served as provided therein at no cost to the customer and publicly owned fire hydrants:

- (1.) A service charge based on the size of the meter through which the customer receives such service, and
- (2.) A commodity charge based on the amount of water consumed, and
- (3.) An elevated service area surcharge, if applicable, in Rule 6.02.03.

The rate charge for metered water service shall be pro-rated based on the number of actual days in a billing cycle.

6.02.01 **Service Charge**

The service charge for classes of customers taking metered service and situated within the **Retail Service Area** and **Shepherdsville and Goshen Services one (1) inch and larger** shall be charged in accordance with the following schedule: (Goshen services rate effective following the February 2007 billing)

<u>Meter Size</u>	<u>Service Charge</u> <u>Monthly Bill</u>	
5/8" x 3/4"	\$	5.65
1"	\$	14.13
1 1/2"	\$	28.25
2"	\$	45.20
3"	\$	98.88
4"	\$	169.50
6"	\$	395.50
8"	\$	706.25
10"	\$	1,073.50
12"	\$	1,638.50
16"	\$	3,248.75

Monthly Debt Surcharge for Goshen Customers of \$1.73 per month.

The service charge for customer classes situated within the **Kentucky Turnpike #1** area shall be charged in accordance with the following schedule:

<u>Meter Size</u>						
5/8" x 3/4"	\$	6.00	+	5.65	=	11.65
1"	\$	24.00	+	14.13	=	38.13
1 1/2"	\$	54.00	+	28.25	=	82.25
2"	\$	96.00	+	45.20	=	141.20
3"	\$	216.00	+	98.88	=	314.88
4"	\$	384.00	+	169.50	=	553.50
6"	\$	864.00	+	395.50	=	1,259.50

6.02.02 Commodity Charge

The commodity charge for monthly usage for customers within the **Retail Service Area, Kentucky Turnpike #1, Goshen and Shepherdsville services one (1) inch and larger** area shall be computed in accordance with the following schedule: (Goshen services rate effective following the February 2007 billing)

Thousand Gallons
Per Month

First	3	at \$2.03 per 1,000 Gallons
Next	3	at \$2.22 per 1,000 Gallons
Next	194	at \$2.50 per 1,000 Gallons
Next	1,300	at \$2.36 per 1,000 Gallons
Next	3,500	at \$2.16 per 1,000 Gallons
Next	5,000	at \$1.58 per 1,000 Gallons
All Over	10,000	at \$1.44 per 1,000 Gallons

The commodity charge for monthly usage within the **Kentucky Turnpike #2** area shall be computed in accordance with the following schedule:

Thousand Gallons
Per Month

5/8 inch and 3/4 inch connection

First	2	\$15.67 Monthly Minimum
Next	3	at \$4.75 per 1,000 gallons
Next	5	at \$4.27 per 1,000 gallons
Next	15	at \$4.04 per 1,000 gallons
Next	25	at \$3.55 per 1,000 gallons

1 inch connection

First	5	\$29.92 Monthly Minimum
Next	5	at \$4.27 per 1,000 gallons
Next	15	at \$4.04 per 1,000 gallons
Next	25	at \$3.55 per 1,000 gallons

1 1/2 inch to 4 inch connection

First	10	\$51.27 Monthly Minimum
Next	15	at \$4.04 per 1,000 gallons
Next	25	at \$3.55 per 1,000 gallons

Bernheim Forest \$100.00 per month

City of Lebanon Junction \$1.40 per 1,000 gallons

The commodity charge for monthly usage within the **Goshen Utilities Area under one (1) inch** shall be computed in accordance with the following schedule:

Thousand Gallons
Per Month

First	2	\$9.51 Monthly Minimum
Next	13	at \$3.00 per 1,000 gallons
Next	15	at \$2.42 per 1,000 gallons
Next	20	at \$1.84 per 1,000 gallons
Over	50	at \$1.27 per 1,000 gallons

Monthly Debt Surcharge of \$1.73 per month

The commodity charge for monthly usage within the **Shepherdsville Area services under one (1) inch** shall be computed in accordance with the following schedule:

Thousand Gallons
Per Month

First	2	\$10.41 Monthly Minimum
Next	3	at \$3.47 per 1,000 gallons
Next	5	at \$2.84 per 1,000 gallons
Next	15	at \$2.72 per 1,000 gallons
Next	25	at \$2.36 per 1,000 gallons
Next	50	at \$2.13 per 1,000 gallons
Over	100	at \$2.01 per 1,000 gallons

6.02.03 Elevated Service Area Surcharge

All customers shall pay a surcharge of \$0.27 per thousand gallons if water must be delivered at a higher elevation than the general pressure plane served by the Crescent Hill / Cardinal Hill System, excluding customers in the Kentucky Turnpike #2, Goshen Utilities and Shepherdsville services under one (1) inch.

6.03 Wholesale Customers

Wholesale customers which purchase water for resale wherever situated shall be charged: \$1.44 per thousand gallons for all water purchased, the elevated service area surcharge specified in Rule 6.02.3, if applicable, and the service charge specified in Rule 6.02.1. For 2007 these rates will go into effect for water service on and after May 1, 2007.

6.04 Fire Service Charges

The charge for fire service, where water may be taken for fire protection only, shall be in accordance with the following schedule. This charge will also be applicable to such fire hydrants as may be provided by private agencies.

<u>Size</u>	<u>Monthly Charge</u>
4"	\$ 15.50
6"	\$ 30.97
8"	\$ 60.14
10"	\$ 118.50
12"	\$ 237.89

6.05 At the Company's option, bills may be rendered monthly or bimonthly.

6.06 In the event that payment for any charge is not made within twenty (20) days from the billing date, the net amount of the bill shall be increased by 5% and the gross amount thus determined must be paid.

6.07 Where water is used without proper authorization, the estimated quantity of unmetered water used shall be paid for at the rate of \$10.00 per thousand gallons.

6.08 Water taken from a Louisville Water Company public fill station shall be paid for at the rate of \$2.50 per thousand gallons plus such deposits as may be established from time to time.

6.09 Temporary services shall be charged at the rate of \$2.00 per day, plus water consumed at the applicable rate schedule.

Upon adoption, these rates shall become effective for water service on and after January 1, 2007, except for wholesale customers as specified in rule 6.03.

COMPARISON OF REVENUE UNDER EXISTING RATES AND PROPOSED RATES

	UNITS		2006 PRESENT RATES		2007 PROPOSED		INCREASE OVER EXISTING	REVENUE % OF COST OF
			RATES	REVENUE	RATES	REVENUE	RATE	SERVICE
			\$	(\$1,000)	\$	(\$1,000)	%	%
RESIDENTIAL: Service Charge	3,199,931 E.U.		5.31	16,991.63	5.65	16,079.61		
Water Sold 0 - 3	7,770,840 T.G.		1.90	14,764.60	2.03	15,774.81		
4 - 6	4,612,740 T.G.		2.08	9,594.50	2.22	10,240.28		
7 - 200	3,448,390 T.G.		2.35	8,103.72	2.50	8,620.98		
201 - 1,500	97,295 T.G.		2.21	215.02	2.36	229.62		
1501-5000	<u>20,735</u> T.G.		2.02	<u>41.88</u>	2.16	<u>44.79</u>		
Total Residential	15,950,000 T.G.			49,711.35		52,990.08	6.6%	98.63
COMMERCIAL: Service Charge	1,029,121 E.U.		5.31	5,464.63	5.65	5,814.53		
Water Sold 0 - 3	699,000 T.G.		1.90	1,328.10	2.03	1,418.67		
4 - 6	562,500 T.G.		2.08	1,170.00	2.22	1,248.75		
7 - 200	7,219,500 T.G.		2.35	16,985.83	2.50	18,048.75		
201 - 1,500	3,951,000 T.G.		2.21	8,731.71	2.36	9,324.36		
1,501 - 5,000	1,200,000 T.G.		2.02	2,424.00	2.16	2,592.00		
5,001 - 10,000	403,500 T.G.		1.55	625.43	1.58	637.53		
Over 10,000	<u>964,500</u> T.G.		1.58	<u>1,331.01</u>	1.44	<u>1,398.88</u>		
Total Commercial	15,000,000 T.G.			38,040.70		40,473.77	6.4%	102.96
MUNICIPAL Service Charge	24,098 E.U.		5.31	127.95	5.65	136.14		
Water Sold 0 - 3	12,908 T.G.		1.90	24.53	2.03	26.20		
4 - 6	10,549 T.G.		2.08	21.94	2.22	23.42		
7 - 200	250,118 T.G.		2.35	587.78	2.50	625.30		
201 - 1,500	400,854 T.G.		2.21	885.89	2.36	946.02		
1,501 - 5,000	253,588 T.G.		2.02	512.25	2.16	547.75		
5,001 - 10,000	156,289 T.G.		1.55	242.25	1.58	246.94		
Over 10,000	<u>303,694</u> T.G.		1.38	<u>419.10</u>	1.44	<u>437.32</u>		
Total Municipal	1,388,000 T.G.			2,821.67		2,989.08	5.9%	102.26
INDUSTRIAL: Service Charge	88,276 E.U.		5.31	468.75	5.65	498.76		
Water Sold 0 - 3	9,989 T.G.		1.90	18.98	2.03	20.26		
4 - 6	8,740 T.G.		2.08	18.18	2.22	19.40		
7 - 200	243,061 T.G.		2.35	571.19	2.50	607.65		
201 - 1,500	782,872 T.G.		2.21	1,730.15	2.36	1,847.58		
1,501 - 5,000	983,064 T.G.		2.02	1,985.79	2.16	2,123.42		
5,001 - 10,000	718,361 T.G.		1.55	1,113.46	1.58	1,135.01		
Over 10,000	<u>1,415,913</u> T.G.		1.38	<u>1,953.96</u>	1.44	<u>2,038.91</u>		
Total Industrial	4,162,000 T.G.			7,860.45		8,291.01	5.5%	101.33
TOTAL RETAIL: Service Charge	4,341,424 E.U.		5.31	23,052.96	5.65	24,529.05		
Water Sold 0 - 3	8,492,737 T.G.		1.90	16,135.20	2.03	17,240.26		
4 - 6	5,194,529 T.G.		2.08	10,804.62	2.22	11,531.85		
7 - 200	11,161,069 T.G.		2.35	26,226.51	2.50	27,902.67		
201 - 1,500	5,232,021 T.G.		2.21	11,562.77	2.36	12,347.57		
1,501 - 5,000	2,457,387 T.G.		2.02	4,963.92	2.16	5,307.96		
5,001 - 10,000	1,278,150 T.G.		1.55	1,981.13	1.58	2,019.48		
Over 10,000	<u>2,684,107</u> T.G.		1.38	<u>3,704.07</u>	1.44	<u>3,865.11</u>		
Total General Pres. Retail	36,500,000 T.G.			98,434.18		104,743.95	6.4%	100.58
Elev. Serv. Area Surcharge	10,797,000 T.G.	0.25		2,699.25	0.27	2,915.19	8.0%	80.01
Private Fire Services				1,931.50		2,057.00		
Public Fire Services				<u>7,062.00</u>		<u>7,521.03</u>		
Total Retail Sales				110,126.93		117,237.17	6.5%	99.89
WHOLESALE SALES:								
Service Charge*	6,120 E.U.	5.31		32.50	5.65	33.89		
General Pressure Charge**	1,700,000 T.G.	1.38		2,346.00	1.44	2,414.34	4.3%	87.44
Elevated Service Area***	<u>1,679,496</u> T.G.	0.25		<u>419.87</u>	0.27	<u>442.38</u>	8.0%	78.06
Total Wholesale Sales				<u>2,798.37</u>		<u>2,890.61</u>	3.3%	85.97
SUB-TOTAL SALES	38,200,000 T.G.			112,925.30		120,127.76	6.4%	99.50
Deduction for phased in rate increase				(650.00)		(692.25)		
KT #1 Surcharge/KT Rate Differential				1,182.18		1,084.60		
						0.00		
						0.00		
GRAND TOTAL ESTIMATED SALES				113,457.48		120,520.13		
2007 Budgeted Water Revenue						120,082.00		
						438.13		

E.U. is 5/8" meter equivalent units; water sold units are in thousands of gallons. (T.G.)

COMPARISON OF MONTHLY BILLS AT VARIOUS CONSUMPTION LEVELS
(GENERAL PRESSURE AREA)
(METER CAPACITY)

	<u>CONSUMPTION</u> (<u>Thousand Gallons</u>)	<u>METER</u> <u>SIZE</u>	<u>2006</u> <u>PRESENT</u> <u>RATES</u>	<u>2007</u> <u>PROPOSED</u> <u>RATES</u>	<u>INCREASE</u> <u>AMOUNT</u>	<u>%</u>
0	(Minimum Bill)	5/8 x 3/4"	\$ 5.31	\$ 5.65	\$ 0.34	6.40
3		5/8 x 3/4"	11.01	11.74	0.73	6.63
6	(Average Bill) *	5/8 x 3/4"	17.25	18.40	1.15	6.67
10		5/8 x 3/4"	26.65	28.40	1.75	6.57
20		5/8 x 3/4"	50.15	53.40	3.25	6.48
40		1"	105.12	111.88	6.76	6.43
100		1"	246.12	261.88	15.76	6.40
200		2"	510.32	542.95	32.63	6.39
500		2"	1,173.32	1,250.95	77.63	6.62
1,000		3"	2,328.77	2,484.63	155.86	6.69
1,500		3"	3,433.77	3,664.63	230.86	6.72
5,000		6"	10,782.54	11,521.25	738.71	6.85
10,000		6"	18,532.54	19,421.25	888.71	4.80
27,383	(General Electric)	Various	45,271.43	47,379.23	2,107.80	4.66
93,250	(Oxy Vinyls)	Various	134,054.17	139,978.65	5,924.49	4.42

*Residential Customer

COMPARISON OF MONTHLY BILLS AT VARIOUS CONSUMPTION LEVELS
(ELEVATED PRESSURE AREA)
(METER CAPACITY)

	<u>CONSUMPTION</u> (Thousand Gallons)	<u>METER</u> <u>SIZE</u>	<u>2006</u> <u>PRESENT</u> <u>RATES</u>	<u>2007</u> <u>PROPOSED</u> <u>RATES</u>	<u>INCREASE</u> <u>AMOUNT</u>	<u>%</u>
0	(Minimum Bill)	5/8 x 3/4"	\$ 5.31	\$ 5.65	\$ 0.34	6.40
3		5/8 x 3/4"	11.76	12.55	0.79	6.72
6	(Average Bill) *	5/8 x 3/4"	18.75	20.02	1.27	6.77
10		5/8 x 3/4"	29.15	31.10	1.95	6.69
20		5/8 x 3/4"	55.15	58.80	3.65	6.62
40		1"	115.12	122.68	7.56	6.57
100		1"	271.12	288.88	17.76	6.55
200		2"	560.32	596.95	36.63	6.54
500		2"	1,298.32	1,385.95	87.63	6.75
1,000		3"	2,578.77	2,754.63	175.86	6.82
1,500		3"	3,808.77	4,069.63	260.86	6.85
31,627	(Ford Motor -Westport)	Various	59,500.30	62,525.07	3,024.77	5.08
51,770	(Mt. Washington)	Various	85,129.04	89,270.67	4,141.63	4.87
19,265	(North Shelby)	Various	31,494.47	33,035.65	1,541.18	4.89
41,500	(Taylorsville)	Various	67,737.25	71,057.21	3,319.97	4.90
17,389	(West Shelby)	Various	28,502.69	29,893.78	1,391.09	4.88

* Residential Customer

20 LARGEST CUSTOMERS OF
THE LOUISVILLE WATER COMPANY

<u>COMPANY</u>	AVG MONTHLY CONSUMPTION (T.G.)	2006 PRESENT RATES	2007 PROPOSED RATES	INCREASE AMOUNT	%
Oxy Vinyl	93,250	\$ 134,054	\$ 139,979	\$ 5,924	4.42
Ford Motors (Westport/Chamberlain)*	31,627	59,500	62,525	3,025	5.08
American Synthetic	44,129	67,370	70,418	3,048	4.52
General Electric	27,383	45,271	47,379	2,108	4.66
Metro Sewer District	25,380	40,713	42,586	1,873	4.60
E.I. Dupont	18,143	30,105	31,504	1,399	4.65
Ford Motors (Fern Valley Rd)	13,638	23,859	24,985	1,127	4.72
Protein Technologies	17,073	29,594	30,991	1,396	4.72
Brown Forman	22,437	36,684	38,382	1,698	4.63
Lou Gas & Electric (Shipley)	21,714	36,094	37,775	1,681	4.66
Harshaw - Filtrol	10,154	19,767	20,730	963	4.87
United Catalysts - Crittenden	8,775	16,926	17,797	871	5.14
Sud-Chemie	18,420	31,487	32,967	1,479	4.70
Carbide Industries	9,962	18,570	19,462	892	4.80
Borden Chemical	9,465	17,839	18,721	881	4.94
Baptist Hospital East	7,650	15,322	16,168	846	5.52
Zeochem	10,342	19,090	19,990	901	4.72
MD Steam & Chilled Plant	11,800	22,623	23,649	1,026	4.54
Dean Milk	6,889	14,458	15,174	716	4.95
Lou Gas & Electric (Cane Run)	12,773	22,618	23,576	958	4.24

* ELEVATED SERVICE AREA

COMPARISON OF MONTHLY WATER BILLS AMONG CITIES SIMILAR TO LOUISVILLE
(CUSTOMERS SERVED BY GENERAL PRESSURE)*

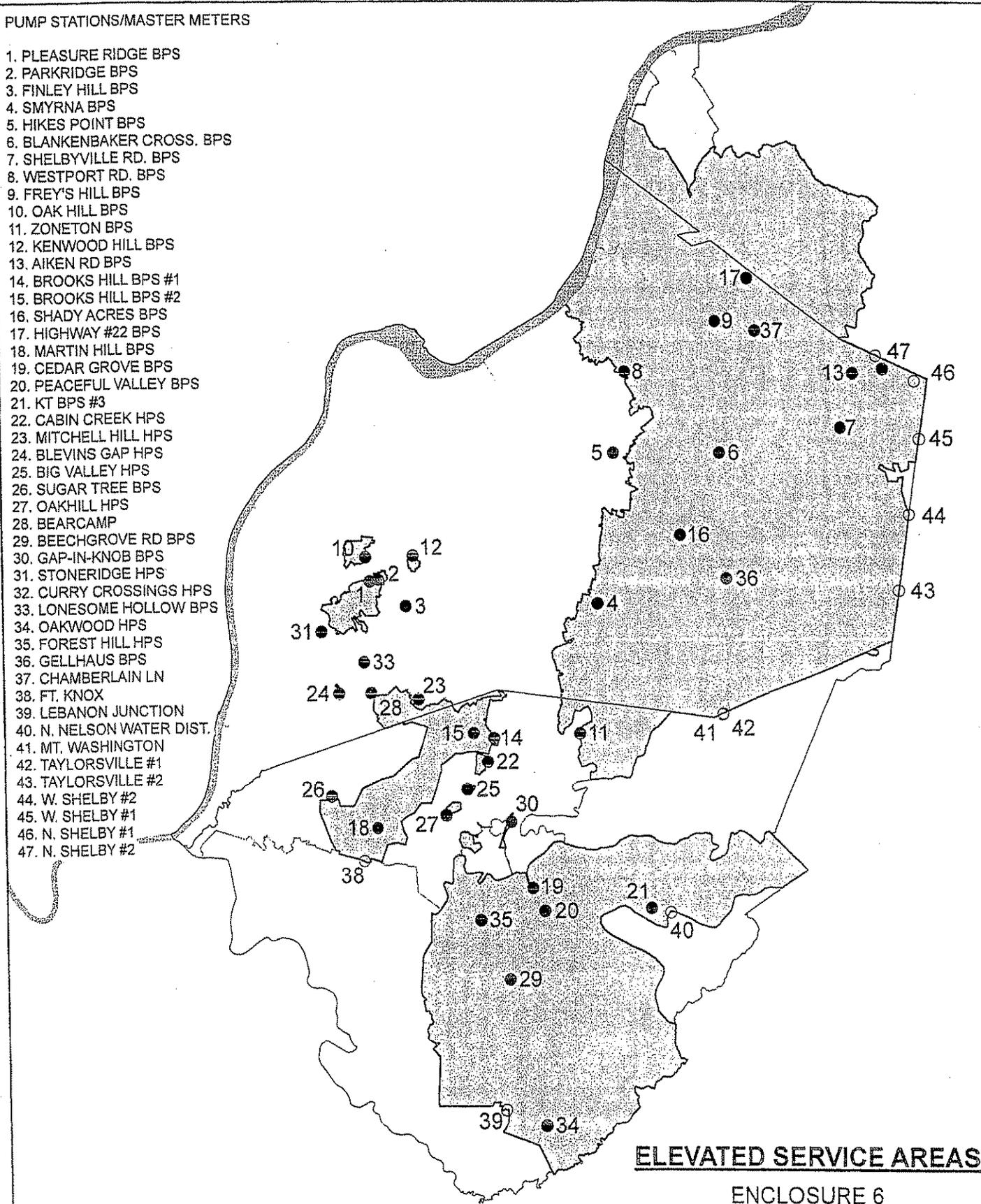
CITY	PROPOSED INCREASE FOR 2007		DATE OF LAST INCREASE (DECREASE)	5/8" METER 6,000 GALLONS		3" METER 2,250,000 GALLONS		4" METER 4,500,000 GALLONS		6" METER 10,000,000 GALLONS					
	INSIDE CITY	OUTSIDE CITY		INSIDE CITY	OUTSIDE CITY	INSIDE CITY	OUTSIDE CITY	INSIDE CITY	OUTSIDE CITY	INSIDE CITY	OUTSIDE CITY				
												RANK	RANK	RANK	RANK
LOUISVILLE * (502) 569-3600	6.50%	6.50%	Jan '06	17.25	2	4	17.25	7	4,948.77	8	9,560.14	6	18,532.54	5	18,532.54
ATLANTA (404) 502-4410	TBD	TBD	Jan '06	24.26	9	7	21.53	10	11,497.64	10	18,647.82	10	41,443.67	10	50,131.69
CINCINNATI (513) 591-7951	7.00%	7.00%	Jan '06	18.92	4	3	15.65	3	4,468.68	3	6,983.87	5	15,396.43	7	19,434.48
COLUMBUS (614) 645-7761	10.00%	10.00%	Jan '06	37.65	10	10	28.97	10	4,490.06	2	6,649.21	4	8,653.11	3	18,400.46
INDIANAPOLIS (317) 263-6302	TBD	TBD	Jul '06	22.73	7	9	22.73	4	3,963.02	4	7,151.11	2	14,899.37	2	14,899.37
KNOXVILLE (865) 598-2391	TBD	TBD	Jan '06	23.15	8	6	19.37	5	4,018.84	5	7,352.23	6	13,455.63	3	16,174.46
LEXINGTON (502) 268-6308	WIND	WIND	Jan '05	22.54	6	8	22.54	8	5,185.51	6	8,467.03	3	18,771.43	6	18,771.43
MILWAUKEE (414) 286-2435	TBD	TBD	Sep '06	14.76	5	1	14.76	1	2,994.93	1	5,183.81	1	10,064.62	1	12,522.65
NASHVILLE (615) 862-4696	0.00%	0.00%	May '99	14.80	1	2	14.80	9	5,228.82	9	9,944.68	9	21,450.09	9	21,450.09
MISSOURI AMERICAN (ST. LOUIS CO) (314) 991-3404	WIND	WIND	May '02	18.35	3	5	18.35	6	4,603.51	7	9,192.24	7	20,413.48	8	20,413.48

Notes:
The bills shown are computed using basic rates only and do not include special charges such as the elevated area surcharge, public fire protection charges, sales, franchisees, or other taxes. Water bills for LWC include 5% rate increase for 2006, water bills for other utilities do not include any proposed 2007 increase.

Rank #1 is lowest charge.
Lexington, and Missouri American are investor owned water utilities.
* For comparability purposes LWC 2006 rates were used.

PUMP STATIONS/MASTER METERS

1. PLEASURE RIDGE BPS
2. PARKRIDGE BPS
3. FINLEY HILL BPS
4. SMYRNA BPS
5. HIKES POINT BPS
6. BLANKENBAKER CROSS. BPS
7. SHELBYVILLE RD. BPS
8. WESTPORT RD. BPS
9. FREY'S HILL BPS
10. OAK HILL BPS
11. ZONETON BPS
12. KENWOOD HILL BPS
13. AIKEN RD BPS
14. BROOKS HILL BPS #1
15. BROOKS HILL BPS #2
16. SHADY ACRES BPS
17. HIGHWAY #22 BPS
18. MARTIN HILL BPS
19. CEDAR GROVE BPS
20. PEACEFUL VALLEY BPS
21. KT BPS #3
22. CABIN CREEK HPS
23. MITCHELL HILL HPS
24. BLEVINS GAP HPS
25. BIG VALLEY HPS
26. SUGAR TREE BPS
27. OAKHILL HPS
28. BEARCAMP
29. BEECHGROVE RD BPS
30. GAP-IN-KNOB BPS
31. STONERIDGE HPS
32. CURRY CROSSINGS HPS
33. LONESOME HOLLOW BPS
34. OAKWOOD HPS
35. FOREST HILL HPS
36. GELLHAUS BPS
37. CHAMBERLAIN LN
38. FT. KNOX
39. LEBANON JUNCTION
40. N. NELSON WATER DIST.
41. MT. WASHINGTON
42. TAYLORSVILLE #1
43. TAYLORSVILLE #2
44. W. SHELBY #2
45. W. SHELBY #1
46. N. SHELBY #1
47. N. SHELBY #2



ELEVATED SERVICE AREAS

ENCLOSURE 6

12/12/06

 BOOSTER PUMP STATION
 LWC MASTER METERS
 ELEVATED SERVICE AREA

2007 PROJECTION:
 NUMBER OF CUSTOMERS: 112,370
 PROJECTED ANNUAL WATER USAGE: 2007 THOUSAND GALLONS

RESIDENTIAL.....	6,309,700 GALLONS
COMMERCIAL.....	3,920,400 GALLONS
INDUSTRIAL.....	114,300 GALLONS
WHOLESALE.....	1,679,500 GALLONS
PRIVATE FIRE PROTECTION.....	9,100 GALLONS
TOTAL.....	12,033,000 GALLONS

LOUISVILLE WATER COMPANY

2006 RATE STUDY FOR YEAR 2007

DETERMINATION OF EXTRA COST ALLOCATION PERCENTAGES

<u>YEAR</u>	<u>AVERAGE DAY MGD</u>	<u>MAXIMUM DAY MGD</u>	<u>MAXIMUM HOUR MGD</u>
1996	121.3	169.3	187.6
1997	123.6	176.6	222.2
1998	124.3	173.3	223.0
1999	134.5	197.1	232.0
2000	127.2	190.0	226.1
2001	126.9	178.2	199.7
2002	129.9	191.4	244.0
2003	127.0	173.2	237.0
2004	126.8	164.6	189.0
2005	130.8	204.5	249.1
Ten Year Total	1,272.1	1,818.2	2,209.7
Average	127.2	181.8	221.0
Ratio	1.0	1.4	1.7

ALLOCATION PERCENTAGES

	<u>BASE</u>	<u>MAXIMUM DAY</u>	<u>MAXIMUM HOUR</u>
BASE/MAXIMUM DAY	70.0	30.0	
BASE/MAXIMUM HOUR	57.6	24.7	17.7

ALLOCATION OF LOUISVILLE WATER COMPANY ESTIMATED NET OPERATING EXPENSE TO FUNCTIONAL COST COMPONENTS
 YEAR ENDED DECEMBER 31, 2007 (IN THOUSAND DOLLARS)

LINE NO.	ITEM	NET OPERATING EXPENSE	ELEVATED SERVICE AREA	COMMON TO ALL CUSTOMERS EXTRA CAPACITY MAXIMUM DAY	MAXIMUM HOUR	CUSTOMER	Base/Max Day/Hour COMMON TO ONLY RETAIL CUSTOMERS
1)	SOURCE OF SUPPLY			0.00	0.00		
2)	POWER AND PUMPING						
3)	Zorn Station, Power	1,101.48		1,101.48			
4)	Zorn Station, Other	45.40		31.76	13.64		
5)	Crescent Hill Station, Power	1,089.40		1,089.40			
6)	Crescent Hill Station, Other	1,401.13		806.63	346.26	248.24	
7)	B.E. Payne Station, Raw Water, Power	286.09		286.09			
8)	B.E. Payne Station, Raw Water, Other	17.98		12.58	5.40		
9)	B.E. Payne Sta., Finished Water, Power	858.28	583.63	274.65			
10)	B.E. Payne Sta., Finished Water, Other	230.37	156.65	42.44	18.22	13.06	
11)	Boosting Pumping, Power	527.91	452.40	75.51			
12)	Boosting Pumping, Other	292.78	234.22	33.74	14.77	10.04	
13)	Total Power and Pumping	5,850.81	1,426.90	3,754.28	398.28	271.35	0.00
14)	PURIFICATION						
15)	Chemicals, B.E. Payne	1,821.90		1,821.90			
16)	Chemicals, Crescent Hill	650.59		650.59			
17)	Purification, Other	5,305.47		3,712.04	1,593.43		
18)	Total Purification	7,777.95	0.00	6,184.52	1,593.43	0.00	0.00
19)	TRANSMISSION AND DISTRIBUTION						
20)	Transmission Mains	556.19		389.14	167.04		
21)	Distribution Mains	1,516.06		872.80	374.66	268.61	1,516.06
22)	Distribution Storage, Res. & Tanks	86.34	25.54	35.03	15.34	10.43	
23)	Services	1,018.18					1,018.18
24)	Meters	1,212.18					1,212.18
25)	Hydrants	264.64				264.64	264.64
26)	Transmission & Distribution Subtotal	4,653.59	25.54	1,296.97	557.04	543.67	2,230.36
27)	Percent	100.00%	0.55%	27.87%	11.97%	11.68%	47.93%
28)	General Transmission and Distribution	6,559.88	36.00	1,828.26	785.23	766.38	3,144.00
29)	Total Transmission and Distribution	11,213.47	61.55	3,125.24	1,342.27	1,310.06	5,374.36
30)	CUSTOMER ACCOUNTS AND SERVICE						
31)	Supervision	6,903.12					
32)	Meter Reading	1,784.33					
33)	Customer Records	1,034.64					
34)	Uncollected Accounts	711.69					
35)	Miscellaneous Customer Accounts	0.00					
36)	Total Customer Accounts & Service	10,433.77					10,433.77
37)	Subtotal	35,276.01	1,488.45	13,064.04	3,333.99	1,581.41	15,808.13
38)	Percent	100.00%	4.22%	37.03%	9.45%	4.48%	44.81%
39)	ADMINISTRATIVE AND GENERAL						
40)	Administrative and General	15,339.08					
41)	Labor Related Overhead	3,834.62					
42)	Less: Operating Expenses Applied	(2,298.70)					
43)	Total Administrative and General	16,875.00	712.03	6,249.45	1,594.88	756.50	7,562.14
44)	Total	52,151.00	2,200.48	19,313.48	4,928.86	2,337.90	23,370.27
45)	Free Water in Lieu of Taxes	3,089.40		3,089.40			
46)	Amortization	971.60		971.60			
47)	Retirement of Assets	1,000.00		287.85	123.56	88.59	500.00
48)	Total Operating Expenses	57,212.00	2,200.48	23,662.33	5,052.43	2,426.49	23,870.27
49)	Other Operating Income	(7,294.48)				(1,823.62)	(5,470.86)
50)	Net Operating Expense	49,917.52	2,200.48	23,662.33	5,052.43	602.87	18,399.41

ALLOCATION OF LOUISVILLE WATER COMPANY ESTIMATED DEPRECIATION EXPENSE TO FUNCTIONAL COST COMPONENTS
 YEAR ENDED DECEMBER 31, 2007 (IN THOUSAND DOLLARS)

LINE NO.	ITEM	TOTAL DEPRECIATION EXPENSE	ELEVATED SERVICE AREA	BASE	COMMON TO ALL CUSTOMERS			Base/Max Day/Hour COMMON TO ONLY RETAIL CUSTOMERS
					EXTRA CAPACITY MAXIMUM DAY	MAXIMUM HOUR	CUSTOMER	
1)	Land Improvements and Buildings	1,913.69	18.07	1,327.35	431.83	29.10	107.34	
2)	Basins and Ground Storage	808.08		565.38	242.70			
3)	Standpipes and Elevated Storage	392.55	298.31	54.26	23.29	16.70		
4)	Infiltration Systems including RBI	109.37		62.97	46.41			
5)	Pumping Equipment	467.21	202.48	185.22	79.51			
6)	Sludge Disposal Equipment	139.84		139.84				
7)	Purification Equipment	1,132.73		792.53	340.20			
8)	Transmission Mains	3,786.41		2,649.21	1,137.20			
9)	Distribution Mains	4,110.03		2,366.14	1,015.69	728.19		4,110.03
10)	Meters	622.86					622.86	
11)	Services	2,570.75					2,570.75	
12)	Meter Installations	867.49					867.49	
13)	Fire Hydrants	839.47				839.47		839.47
14)	Sub-total	17,760.49	518.86	8,142.90	3,316.83	1,613.46	4,168.44	4,949.50
15)	Percent	100.00%		47.23%	19.24%	9.36%	24.18%	
16)	General and Other Equipment	4,912.63	0.00	2,320.14	945.06	459.72	1,187.71	
17)	Depreciation Expense	22,673.11	518.86	10,463.04	4,261.89	2,073.18	5,356.15	4,949.50

ALLOCATION OF ESTIMATED LOUISVILLE WATER COMPANY NET INVESTMENT (2007)
INCLUDING WORK-IN-PROGRESS
(THOUSAND DOLLARS)

LINE NO.	ITEM	NET PLANT INVESTMENT	ELEVATED SERVICE AREA	BASE	COMMON TO ALL CUSTOMERS			Base/Max Day/Hour COMMON TO ONLY RETAIL CUSTOMERS
					EXTRA CAPACITY MAXIMUM DAY	EXTRA CAPACITY MAXIMUM HOUR	CUSTOMER	
1)	Land	8,597.50	57.09	5,980.14	1,945.56	131.10	483.61	
2)	Land Improvements and Buildings	63,386.65	399.61	44,104.60	14,348.83	966.91	3,566.70	
3)	Basins and Ground Storage	19,917.51		13,935.54	5,981.98			
4)	Standpipes and Elevated Storage	12,163.76	11,111.47	605.81	260.05	186.44		
5)	Pumping Equipment	11,744.17	7,228.47	3,159.46	1,356.23			
6)	Sludge Disposal Equipment	3,439.36		3,439.36				
7)	Infiltration System	6,648.54		4,651.73	1,996.80			
8)	Purification Equipment	26,594.14		18,606.93	7,987.22			
9)	Transmission Mains	268,899.44		188,138.86	80,760.58			
10)	Distribution Mains	212,015.02		122,057.16	52,394.32	37,563.54		212,015.02
11)	Meters	6,509.05					6,509.05	
12)	Services	79,505.85					79,505.85	
13)	Meter Installations	27,859.37					27,859.37	
14)	Fire Hydrants	38,006.08				38,006.08		38,006.08
15)	Sub-total	785,286.54	18,796.64	404,679.59	167,031.56	76,854.08	117,924.58	250,021.10
16)	Percent	100.00%		52.80%	21.79%	10.03%	15.39%	31.84%
17)	Gen. Plant & Unamortized Capital Charges	25,710.72	0.00	13,574.35	5,602.82	2,577.95	3,955.60	8,185.83
18)	Total Plant	810,997.26	18,796.64	418,253.94	172,634.37	79,432.03	121,880.18	258,206.93
19)	Other Rate Base Items (1)	17,096.83	0.00	9,026.52	3,725.70	1,714.26	2,630.35	5,443.32
20)	Sub-total	828,094.09	18,796.64	427,280.46	176,360.07	81,146.29	124,510.53	263,650.26
21)	Contributions and Grants	(294,286.87)		(130,612.20)	(30,758.09)	(18,144.70)	(114,771.88)	(125,660.50)
22)	Total Net Plant Investment	533,807.22	18,796.64	296,668.27	145,601.98	63,001.59	9,738.65	137,989.76
23)	Annual Return @ 7.135%	38,087.15	1,341.14	21,167.28	10,388.70	4,495.16	694.85	9,845.57

1. Line 20, "Other Rate Base Items", includes: Inventory - \$7,500,000, Prepayments - \$800,000, and Working Capital - \$8,796,800 for a total of \$17,096,800

MAXIMUM DAY AND MAXIMUM HOUR PEAKING FACTORS
2006 Rate Study for 2007

MAXIMUM DAY MAXIMUM HOUR DEMAND DATA

		Peak Day to <u>Avg. Day</u>	Peak Hour to <u>Avg. Day</u>
		%	%
A	Residential		
1	Small 0-3	1.42	1.86
2	Medium 4-6	1.72	2.07
3	Large Over 6	1.97	2.36
B	Commercial		
1	Small 0-20	1.64	1.96
2	Medium 21-1,500	1.69	2.04
3	Large Over 1,500	1.69	2.04
C	Industrial		
1	Small 0-1,500	1.74	2.09
2	Medium 1,500-10,000	1.40	1.69
3	Large Over 10,000	1.34	1.64
D	Wholesale	1.76	2.15

NOTES:

Peaking Factors for 2007 rates are based on the average of computed and measured peaking factors for the previous five years.

Peaking Factors are used to allocate costs among consumption steps in various customer classes.

ESTIMATED UNITS OF SERVICE BY CUSTOMER CLASS (2007)

CUSTOMER CLASS	ANNUAL WATER USED (M.G.)	AVERAGE DAY (M.G.D.)	%	MAXIMUM DAY		CAPACITY FACTOR %	EXTRA CAPACITY (M.G.D.)	%	MAXIMUM HOUR		CAPACITY FACTOR %	EXTRA CAPACITY (M.G.D.)	%	Base/Max Day/Year Common to Only Retail Customers %	ANNUAL E.S.A. USAGE (M.G.)	ANNUAL CUSTOMER EQUIVALENT UNITS METER CAPACITY
				TOTAL CAPACITY (M.G.D.)	EXTRA CAPACITY (M.G.D.)				TOTAL CAPACITY (M.G.D.)	EXTRA CAPACITY (M.G.D.)						
RETAIL																
1) Residential	990.74	2.71	2.59	3.87	1.15	1.51	1.15	1.51	5.04	1.17	1.86	5.04	3.13	3.25		3,199,931
2) Small 0-3 T.G.	5,019.38	13.75	13.14	23.63	9.87	12.94	9.87	12.94	28.47	4.84	2.07	28.47	12.93	16.48		
3) Medium 4-6 T.G.	9,939.89	27.23	26.02	53.65	26.42	34.62	26.42	34.62	64.38	10.73	2.36	64.38	28.66	32.84		
4) Large over 6 T.G.	15,950.00															
5) Commercial	1,195.04	3.27	3.13	5.38	2.11	2.76	2.11	2.76	6.43	1.05	1.96	6.43	2.80	3.92		1,053,217
6) Small 0-20 Gals.	10,354.34	28.37	27.11	48.00	19.63	25.73	19.63	25.73	57.81	9.82	2.04	57.81	26.22	34.00		
7) Medium 21-1,500 Gals.	1,927.13	5.28	5.04	8.93	3.65	4.79	3.65	4.79	10.76	1.83	2.04	10.76	4.88	6.33		
8) Large 1,501-5,000 T.G.	826.40	2.26	2.16	3.03	1.57	2.05	1.57	2.05	4.61	0.78	2.04	4.61	2.09	0		
9) Large 5,001-10,000 T.G.	2,085.10	5.71	5.46	9.67	3.95	5.18	3.95	5.18	11.64	1.98	2.04	11.64	5.28	0		
10) Extra Large over 10,000 T.G.	16,388.00															
11) Industrial	373.42	1.02	0.98	1.78	0.75	0.99	0.75	0.99	2.14	0.36	2.09	2.14	0.97	1.23		88,276
12) Small 0-1,500 T.G.	652.29	1.79	1.71	2.50	0.71	0.93	0.71	0.93	3.02	0.52	1.69	3.02	1.38	2.14		
13) Medium 1,501-5,000 T.G.	662.64	1.82	1.73	2.43	0.62	0.81	0.62	0.81	2.98	0.54	1.64	2.98	1.46	0		
14) Large 5,001-10,000 T.G.	2,473.64	6.78	6.48	9.08	2.30	3.02	2.30	3.02	11.11	2.03	1.64	11.11	5.43	0		
15) Large 10,001-20,000 T.G.	4,162.00															
17) SUB-TOTAL (RETAIL)	36,500.00	100.00		172.74	72.74	4.66	72.74	4.66	208.39	35.65	2.15	208.39	4.75	10,353.50		4,341,424
18) WHOLESALE	1,700.00	4.66	4.45	8.22	3.56	4.66	3.56	4.66	10.00	1.78	2.15	10.00	4.75	1,679.50		9,120
19) TOTAL	38,200.00	104.66		180.95	76.30		180.95		218.39	37.43		218.39		12,033.00		4,347,544

- 1) Total water used by customers in that specific class.
- 2) Consumption shown in 1,000 gallons per month.
- 3) Commercial includes Municipal.

COST OF SERVICE ALLOCATION TO CUSTOMER CLASSES (2007)

	BASE		EXTRA CAPACITY		Base/Max Day/Hour Common to Only Retail Customers	TOTAL COMMODITY COSTS(1)	ELEVATED SERVICE AREA	CUSTOMER COSTS	TOTAL COSTS
	(\$1,000)	(\$1,000)	MAXIMUM DAY	MAXIMUM HOUR					
<u>COST OF SERVICE SUMMARY</u>									
1) Net Operating Costs (Sch. 2)	18,542.52	3,959.23	472.43		6,343.45	29,317.62	2,200.48	18,399.41	49,917.51
2) Depreciation Expense (Sch. 3)	7,613.61	3,038.74	1,196.26		4,949.50	16,798.10	518.86	5,366.15	22,673.11
3) Return on Plant Invest. (7.135%, Sch. 4)	<u>15,499.18</u>	<u>7,955.61</u>	<u>2,750.76</u>		<u>9,845.57</u>	<u>36,051.16</u>	<u>1,341.14</u>	<u>694.85</u>	<u>38,087.15</u>
4) Total Cost of Service	41,655.31	14,953.59	4,419.47		21,138.52	82,166.88	4,060.48	24,450.42	110,677.77

COMMODITY COST DISTRIBUTION

CUSTOMER CLASS	% OF COST	TOTAL (\$1,000)	WATER USED BY CLASS (M.G.)				
Residential Retail							
5) Small (0-3 T.G.)	2.59	1.51	3.13	3.25	687.72	2,132.08	990.74
6) Medium (4-6 T.G.)	13.14	12.94	12.93	16.48	3,484.22	11,464.30	5,019.38
7) Large (Over 6 T.G.)	26.02	34.82	28.66	32.64	6,899.81	24,182.84	9,939.89
Commercial Retail							
8) Small (0-20 T.G.)	3.13	2.76	2.80	3.92	829.54	2,669.63	1,195.04
9) Medium (21-1,500 T.G.)	27.11	25.73	26.22	34.00	7,187.50	23,484.73	10,354.34
10) Large (1,500-5,000 T.G.)	5.04	4.79	4.88	6.33	1,337.72	4,370.93	1,927.13
11) Large 5,001-10,000 T.G.	2.16	2.05	2.09	0.00	0.00	1,300.71	826.40
12) Extra Large over 10,000 T.G.	5.46	5.18	5.28	0.00	0.00	3,281.85	2,085.10
Industrial Retail							
13) Small (0-1,500 T.G.)	0.98	0.99	0.97	1.23	259.21	856.99	373.42
14) Medium (1,501-5,000 T.G.)	1.71	0.93	1.38	2.14	452.79	1,364.68	652.29
15) Large 5,001-10,000 T.G.	1.73	0.81	1.46	0.00	0.00	907.86	662.64
16) Large Over 10,000 T.G.	6.48	3.02	5.43	0.00	0.00	3,389.04	2,473.64
17) Wholesale	4.45	4.66	4.75	0.00	0.00	2,761.24	1,700.00
18) Total					21,138.52	82,166.88	38,200.00

COMMISSIONERS

Ray Larnee,
Chairman

Ben Quinn,
Secretary

Bob McDowell,
Treasurer

 West Shelby Water District

7101 Shelbyville Rd.
P.O. Box 39
Simpsonville, KY 40067
(502) 722-8944
E-mail: info@westshelbywater.org

MANAGERS

Wanda Land,
Co-Manager

Steve Eden,
Co-Manager

February 9, 2007

John L. Huber, President
Louisville Water Company
550 South Third Street
Louisville, KY 40202

Dear Mr. Huber:

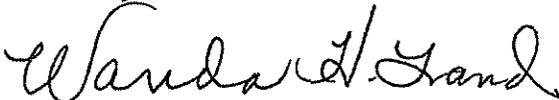
I would like to take this opportunity to thank you and your staff for inviting West Shelby's Commissioners and staff to your Crescent Hill Plant. We are always so glad to meet with you and your staff. We especially appreciate the tour Jim Smith and Patti Kaelin led us on through your plant. I would also like to thank you for advising us of this rate change in such a professional and timely manner.

I have reviewed your letter of February 2, 2007, in which you informed West Shelby Water District of the new rate charge of \$1.44 per thousand gallons, plus an elevated service area surcharge of \$0.27 per thousand gallons for water purchased, effective May 1, 2007. Also, the monthly service charge for the two (2) master meters, located on Hwy. 148 and U.S. 60, supplying West Shelby Water District will increase to \$98.88 and \$169.50 respectively.

This will be an increase of \$0.094 per thousand gallons from our current agreement. Such an increase will be passed on to our customers by a pass-thru rate increase. I am presently in the process of filing this rate increase with the Public Service Commission.

Again, please let me thank you for your time and offer of assistance. If you have any questions or comments, please feel free to call me at (502) 722-8944.

Sincerely,



Wanda H. Land
Co-Manager

cc: Patty Kaelin
Public Service Commission, Rates and Tariffs Division

EXHIBIT "C"

WEST SHELBY WATER DISTRICT
STATEMENT OF PURCHASED WATER
February 2006 thru January 2007

	<u>Shelbyville Municipal</u>		<u>Louisville Water</u>		<u>Total Gals.</u> <u>Purchased</u>	<u>Total</u> <u>Cost</u>
	<u>Gallons</u>	<u>Cost</u>	<u>Gallons</u>	<u>Cost</u>		
Feb. 2006	8,147,000	\$ 13,686.96	11,142,000	\$ 17,688.50	19,289,000	\$ 31,375.46
Mar	6,742,600	\$ 11,327.57	13,388,000	\$ 21,192.26	20,130,600	\$ 32,519.83
Apr	7,223,100	\$ 12,134.80	14,835,000	\$ 23,504.40	22,058,100	\$ 35,639.20
May	6,080,100	\$ 10,214.57	14,142,000	\$ 22,666.86	20,222,100	\$ 32,881.43
Jun	7,079,800	\$ 11,894.06	18,478,000	\$ 30,493.63	25,557,800	\$ 42,387.69
Jul	6,042,100	\$ 10,150.73	18,410,000	\$ 30,371.43	24,452,100	\$ 40,522.16
Aug	7,428,400	\$ 12,479.71	17,544,000	\$ 28,903.11	24,972,400	\$ 41,382.82
Sep	5,827,900	\$ 9,790.87	19,075,000	\$ 31,489.44	24,902,900	\$ 41,280.31
Oct	5,069,100	\$ 8,516.09	13,370,000	\$ 22,099.49	18,439,100	\$ 30,615.58
Nov	5,029,400	\$ 8,449.39	15,009,000	\$ 24,839.16	20,038,400	\$ 33,288.55
Dec	5,614,800	\$ 9,432.86	12,792,000	\$ 21,180.04	18,406,800	\$ 30,612.90
Jan. 2007	5,256,100	\$ 8,830.25	13,129,000	\$ 21,752.07	18,385,100	\$ 30,582.32
Totals	75,540,400	\$ 126,907.86	181,314,000	\$ 296,180.39	256,854,400	\$ 423,088.25

Done this 8th day of February 2007 at Simpsonville, KY .

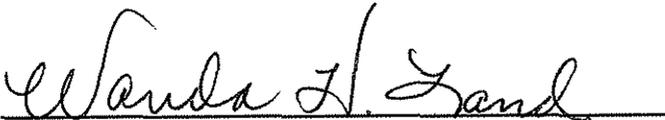


Wanda H. Land
Co. Manager

**WEST SHELBY WATER DISTRICT
STATEMENT OF WATER SOLD
February 2006 thru January 2007**

Feb. 2006	16,783,300
Mar	16,483,600
Apr	17,271,100
May	20,409,700
Jun	21,208,700
Jul	21,928,800
Aug	23,820,700
Sep	22,139,900
Oct	18,933,700
Nov	17,063,400
Dec	16,189,600
Jan. 2007	18,570,500
Total	230,803,000

Done this 8th day of February 2007 at Simpsonville, KY



Wanda H. Land
Manager

**WEST SHELBY WATER DISTRICT
PURCHASED WATER ADJUSTMENT CALCULATIONS**

3/23/2007

Current Water Purchased:			@		Cost
Louisville	181,314,000	Gallons	1.68/1,000 gal.	\$	296,180.39
			(including \$252.23 monthly surcharge)		
Total Louisville				\$	296,180.39
Shelbyville	<u>75,540,400</u>	Gallons	\$ 1.68/1,000 gal.	\$	126,907.86
Total	<u>256,854,400</u>	Gallons		\$	<u>423,088.25</u>

Water Sold: 230,803,000 Gallons

Increased Purchase Cost:					
Louisville	181,314,000	Gallons	\$ 1.71/1,000 gal.	\$	310,046.94
*Louisville service chg.			\$ 268.38 /12 mo.	\$	3,220.56
Total Louisville	181,314,000	Gallons		\$	313,267.50
Shelbyville	<u>75,540,400</u>	Gallons	\$ 1.68/1,000 gal.	\$	126,907.87
Total	<u>256,854,400</u>	Total		\$	<u>440,175.37</u>
			Increase	:	\$ 17,087.12

Increase : \$ 17,087.12 equals \$ 0.0740 cents/1,000
 Water Sold : 230,803,000 Gallons

* West Shelby Water is served by two (2) master meters from the Louisville Water Co. which are:					
Effective		3"	4"	Combined Total	
05/01/07	Monthly Service Charge for these meters will be :	\$98.88	\$169.50	<u>\$268.38</u>	

Wanda H. Land

Calculated by: Wanda H. Land
 West Shelby Water District
 3/23/2007

EXHIBIT "F"

NOTICE TO CUSTOMERS

West Shelby Water District has filed an application with the Public Service Commission (PSC) for a proposed rate change for water service, effective May 1, 2007. The change is made necessary due to an increase in the wholesale price of water from one of our suppliers, the Louisville Water Co. The following rates may be altered by the PSC after examining the application.

5/8 inch Meter

First	2,500	Gallons per month , minimum bill	\$ 13.73
Next	7,500	Gallons per month , per 1,000 gallons	4.85
Next	20,000	Gallons per month , per 1,000 gallons	4.23
Next	200,000	Gallons per month , per 1,000 gallons	3.73
Over	230,000	Gallons per month , per 1,000 gallons	3.37

3/4 inch Meter

First	3,500	Gallons per month , minimum bill	\$ 18.56
Next	6,500	Gallons per month , per 1,000 gallons	4.85
Next	20,000	Gallons per month , per 1,000 gallons	4.23
Next	200,000	Gallons per month , per 1,000 gallons	3.73
Over	230,000	Gallons per month , per 1,000 gallons	3.37

1 inch Meter

First	5,000	Gallons per month , minimum bill	\$ 25.83
Next	5,000	Gallons per month , per 1,000 gallons	4.85
Next	20,000	Gallons per month , per 1,000 gallons	4.23
Next	200,000	Gallons per month , per 1,000 gallons	3.73
Over	230,000	Gallons per month , per 1,000 gallons	3.37

1 1/2 inch Meter

First	10,000	Gallons per month , minimum bill	\$ 50.09
Next	20,000	Gallons per month , per 1,000 gallons	4.23
Next	200,000	Gallons per month , per 1,000 gallons	3.73
Over	230,000	Gallons per month , per 1,000 gallons	3.37

2 inch Meter

First	16,000	Gallons per month , minimum bill	\$ 75.43
Next	14,000	Gallons per month , per 1,000 gallons	4.23
Next	200,000	Gallons per month , per 1,000 gallons	3.73
Over	230,000	Gallons per month , per 1,000 gallons	3.37

3 inch Meter

First	30,000	Gallons per month , minimum bill	\$ 134.53
Next	200,000	Gallons per month , per 1,000 gallons	3.73
Over	230,000	Gallons per month , per 1,000 gallons	3.37

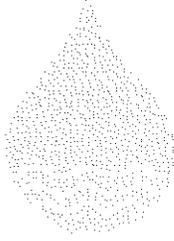
4 inch Meter

First	50,000	Gallons per month , minimum bill	\$ 208.97
Next	180,000	Gallons per month , per 1,000 gallons	3.73
Over	230,000	Gallons per month , per 1,000 gallons	3.37

6 inch Meter

First	100,000	Gallons per month , minimum bill	\$ 395.07
Next	130,000	Gallons per month , per 1,000 gallons	3.73
Over	230,000	Gallons per month , per 1,000 gallons	3.37

All persons having reason to intervene should file with the PSC, P.O. Box 615, Frankfort, KY 40602. The application is on file at the office of the West Shelby Water District in Simpsonville, KY and is available for examination during regular business hours.



West Shelby Water District

7101 Shelbyville Rd., P.O. Box 39, Simpsonville, KY 40067

Fax Transmittal Form

To:	Advertising Dept. Sentinel News	From:	Wanda H. Land, Co-Manager West Shelby Water District
Phone:	_____	Phone:	502-722-8944
Fax:	_____	Fax:	502-722-0060
		E-mail:	<u>wandaland@shelbyonline.net</u>

urgent
 for review
 please reply

Date sent: February 9, 2007

Number of pages including cover page: 2

Message:

Please publish the attached NOTICE TO CUSTOMERS in the February 14th publication.

Thank you,

Wanda Land

BEDROOM APARTMENT FOR RENT: Large 1 bedroom Bland Ave. \$600/month plus apartment with washer/dryer hook up at 45 Willow Wood **Real Estate**

wa Maru of Shelbyville, LLC, mailing address 203 Abington Ridge ce, Louisville, KY 40245 eby declares intention(s) apply for a Restaurant

NOTICE OF FINAL PROBATE SETTLEMENTS

The following settlements have been filed and set for hearing on February 26, 2007 at 10:30 a.m. Estate of Charles Pearson is available for public inspection at the office of the County-Judge Executive during normal business hours.

for two Sunday morning Wednesdays, Sunday and Other opportunities for children's choirs, youth as needed. May be asked to Ballardsville Baptist Church traditional, classical, and y in the life of the church.

ST CHURCH
ittee
ood, KY 40014

125 Real Estate
JOB FAIR
February 15, 2007
Holiday Inn Louisville Downtown
(120 W Broadway)
Between the hours of 10 - 3 & 5 - 8
Call 888-803-5151 or 866-788-0530
for more information

NOTICE TO CUSTOMERS
West Shelby Water District has filed an application with the Public Service Commission (PSC) for a proposed rate change for water service, effective May 1, 2007. The change is made necessary due to an increase in the wholesale price of water from one of our suppliers, the Louisville Water Co. The following rates may be altered by the PSC after examining the application.

5/8 inch Meter		
First 2,500	Gallons per month, minimum bill	\$13.73
Next 7,500	Gallons per month, per 1,000 gallons	4.85
Next 20,000	Gallons per month, per 1,000 gallons	4.23
Next 200,000	Gallons per month, per 1,000 gallons	3.73
Over 230,000	Gallons per month, per 1,000 gallons	3.37
3/4 inch Meter		
First 3,500	Gallons per month, minimum bill	\$18.56
Next 6,500	Gallons per month, per 1,000 gallons	4.85
Next 20,000	Gallons per month, per 1,000 gallons	4.23
Next 200,000	Gallons per month, per 1,000 gallons	3.73
Over 230,000	Gallons per month, per 1,000 gallons	3.37
1 inch Meter		
First 5,000	Gallons per month, minimum bill	\$25.83
Next 5,000	Gallons per month, per 1,000 gallons	4.85
Next 20,000	Gallons per month, per 1,000 gallons	4.23
Next 200,000	Gallons per month, per 1,000 gallons	3.73
Over 230,000	Gallons per month, per 1,000 gallons	3.37
1 1/2 inch Meter		
First 10,000	Gallons per month, minimum bill	\$50.00
Next 20,000	Gallons per month, per 1,000 gallons	4.23
Next 200,000	Gallons per month, per 1,000 gallons	3.73
Over 230,000	Gallons per month, per 1,000 gallons	3.37
2 inch Meter		
First 16,000	Gallons per month, minimum bill	\$75.43
Next 14,000	Gallons per month, per 1,000 gallons	4.23
Next 200,000	Gallons per month, per 1,000 gallons	3.73
Over 230,000	Gallons per month, per 1,000 gallons	3.37
3 inch Meter		
First 30,000	Gallons per month, minimum bill	\$134.53
Next 200,000	Gallons per month, per 1,000 gallons	3.73
Over 230,000	Gallons per month, per 1,000 gallons	3.37
4 inch Meter		
First 50,000	Gallons per month, minimum bill	\$208.97
Next 180,000	Gallons per month, per 1,000 gallons	3.73
Over 230,000	Gallons per month, per 1,000 gallons	3.37
6 inch Meter		
First 100,000	Gallons per month, minimum bill	\$395.07
Next 130,000	Gallons per month, per 1,000 gallons	3.73
Over 230,000	Gallons per month, per 1,000 gallons	3.37

All persons having reason to intervene should file with the PSC, P.O. Box 615, Frankfort, KY 40602. The application is on file at the office of the West Shelby Water District in Simpsonville, Ky and is available for examination during regular business hours.



Be the voice

Copy of ACTUAL Notice

good use. Whatever your interests, you'll discover you'll find the great pay and excellent benefits you of your career.

**SERVICE ASSOCIATES
ENTATIVES**

ation & Assessment Session:
sday, 2/20, 8:30am

te dates listed above at 12501 Lakefront Place, Louisville, KY (1/2 mile east of Pkwy.) or pre-register at <http://jobprescreen.citigroup.com> Bring a photo ID sum of 3 hours.

ts with affordable healthcare effective your first day of employment.

or career alerts!

email messages by registering at:
l.com

green.citigroup.com



ver M/F/D/V.

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Master Carpenter
Contact Keith Yeary

ADVERTISE IN THIS SPACE FOR ONLY \$8.45

**SUIT COURT
IF SALE
ER OF SHELBY CIRCUIT COURT**

shall proceed to offer for sale, at public auction, the real estate described Shelbyville, Kentucky, on Thursday, February 15, 2007, at or about 10:00

llicateholders of Morgan Stanley ABS Capital I, Inc. Trust 2004 - HE1, vs. Donald R. Benningfield, Sr., Republic Bank and Trust Company, vision of Collections, Department of Revenue, Unknowns: All Unknown owns: All Unknown Spouses of any Party Hereto and all other Persons interest In The Subject Real Estate, Case No. 06-CI-00096, Shelby Circuit ucky. (For more specific detailed description, refer to Deed Book 420,

llicateholders of Morgan Stanley ABS Capital I, Inc. Trust 2004 - HE1, s. Donald R. Benningfield, Sr., Republic Bank and Trust Company, vision of Collections, Department of Revenue, Unknowns: All Unknown owns: All Unknown Spouses of any Party Hereto and all other Persons interest In The Subject Real Estate, Case No. 06-CI-00121, Shelby Circuit ucky. (For more specific detailed description, refer to Deed Book 420,

and Servicing Agreement, dated as of March 1, 2004, among Credit-ge Loan Trust Inc., Litton Loan Servicing LP, Asset-Backed Certificates, entral Drive, Houston, TX 77081-2226 vs. Don R. Benningfield, Sr. a/k/a 165; Gerry Benningfield; 1616 Boxwood Ridge Court; Simpsonville, KY July 2, 2002; 1616 Boxwood Ridge Court; Simpsonville, KY 40067; ervice; Billie W. Wade, Service Agent; 827 Main Street; Shelbyville, KY r-managing Agent; 8614 Westwood Center Drive, Suite 650; Vienna, VA 0, Case No. 06-CI-00376, Shelby Circuit Court, 1009 Brown Avenue, ailed description refer to Deed Book 420, Page 211, in the Office of the

sh deposit or cashier's check or certified check in the amount of the and payable in thirty (30) days after date of sale. The purchaser(s) of e by cashier's or certified check on day of sale; if the purchaser(s) does he Special Master Commissioner shall take from the purchaser(s) by t bond with surety acceptable to the Master Commissioner payable to t bearing interest from date of sale at the rate of 12% per annum until

FOR Shelby County, Simpsonville, Kentucky
Community, Town or City

P.S.C. KY. NO. 2007-

SHEET NO. 1

WEST SHELBY WATER DISTRICT
(Name of Utility)

CANCELLING P.S.C. KY. NO. 2006-00151

SHEET NO. 1

RATES AND CHARGES

Available: To all Customers served by the District

A. Monthly Rates:

5/8 inch Meter

First	2,500	Gallons per month , minimum bill	\$ 13.73
Next	7,500	Gallons per month , per 1,000 gallons	\$ 4.85
Next	20,000	Gallons per month , per 1,000 gallons	\$ 4.23
Next	200,000	Gallons per month , per 1,000 gallons	\$ 3.73
Over	230,000	Gallons per month , per 1,000 gallons	\$ 3.37

3/4 inch Meter

First	3,500	Gallons per month , minimum bill	\$ 18.56
Next	6,500	Gallons per month , per 1,000 gallons	\$ 4.85
Next	20,000	Gallons per month , per 1,000 gallons	\$ 4.23
Next	200,000	Gallons per month , per 1,000 gallons	\$ 3.73
Over	230,000	Gallons per month , per 1,000 gallons	\$ 3.37

1 inch Meter

First	5,000	Gallons per month , minimum bill	\$ 25.83
Next	5,000	Gallons per month , per 1,000 gallons	\$ 4.85
Next	20,000	Gallons per month , per 1,000 gallons	\$ 4.23
Next	200,000	Gallons per month , per 1,000 gallons	\$ 3.73
Over	230,000	Gallons per month , per 1,000 gallons	\$ 3.37

1 1/2 inch Meter

First	10,000	Gallons per month , minimum bill	\$ 50.09
Next	20,000	Gallons per month , per 1,000 gallons	\$ 4.23
Next	200,000	Gallons per month , per 1,000 gallons	\$ 3.73
Over	230,000	Gallons per month , per 1,000 gallons	\$ 3.37

DATE OF ISSUE May 1, 2007
Month / Date / Year

DATE EFFECTIVE May 1, 2007
Month / Date / Year

ISSUED BY  Ray L. Larmee
(Signature of Officer)

TITLE DISTRICT COMMISSION CHAIRMAN

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007- DATED _____

FOR Shelby County, Simpsonville, Kentucky
Community, Town or City

P.S.C. KY. NO. 2007-

SHEET NO. 1

WEST SHELBY WATER DISTRICT
(Name of Utility)

CANCELLING P.S.C. KY. NO. 2006-00151

SHEET NO. 1

RATES AND CHARGES

2 inch Meter

First	16,000	Gallons per month , minimum bill	\$ 75.42
Next	14,000	Gallons per month , per 1,000 gallons	\$ 4.23
Next	200,000	Gallons per month , per 1,000 gallons	\$ 3.73
Over	230,000	Gallons per month , per 1,000 gallons	\$ 3.37

3 inch Meter

First	30,000	Gallons per month , minimum bill	\$ 134.53
Next	200,000	Gallons per month , per 1,000 gallons	\$ 3.73
Over	230,000	Gallons per month , per 1,000 gallons	\$ 3.37

4 inch Meter

First	50,000	Gallons per month , minimum bill	\$ 208.97
Next	180,000	Gallons per month , per 1,000 gallons	\$ 3.73
Over	230,000	Gallons per month , per 1,000 gallons	\$ 3.37

6 inch Meter

First	100,000	Gallons per month , minimum bill	\$ 395.07
Next	130,000	Gallons per month , per 1,000 gallons	\$ 3.73
Over	230,000	Gallons per month , per 1,000 gallons	\$ 3.37

DATE OF ISSUE May 1, 2007
Month / Date / Year

DATE EFFECTIVE May 1, 2007
Month / Date / Year

ISSUED BY  Ray L. Larmee
(Signature of Officer)

TITLE DISTRICT COMMISSION CHAIRMAN

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2007- DATED _____

From:
West Shelby Water District
P. O. Box 39
Simpsonville, KY 40067

Public Service Commission
Division of Rates and Tariffs
211 Sower Blvd.
P. O. Box 615
Frankfort, KY 40602

RECEIVED
MAR 26 2007
PUBLIC SERVICE
COMMISSION

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40067-02
00130965-04
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