

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF NORTH SHELBY WATER) CASE NO. 2012-00084
COMPANY)

ORDER

On March 6, 2012, North Shelby Water Company (“North Shelby”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

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

1. North Shelby purchases water from Frankfort Electric and Water Plant Board (“Frankfort”), West Shelby Water District (“West Shelby”), Shelbyville Municipal Water & Sewer Commission (“Shelbyville”), and Louisville Water Company (“Louisville”).

2. Frankfort notified North Shelby that, effective April 1, 2012, Frankfort’s wholesale rate to North Shelby would increase from \$1.81 per 1,000 gallons to \$1.91 per 1,000 gallons.²

3. North Shelby proposes a purchased water adjustment factor of \$0.04 per 1,000 gallons.

4. North Shelby proposes to place its proposed rates into effect April 1, 2012.

¹ KRS 278.015; 807 KAR 5:068.

² Case No. 2010-00485, Proposed Adjustment of the Wholesale Water Service Rates of Frankfort Electric and Water Plant Board (Ky. PSC Mar. 16, 2011).

5. During the 12 months ended January 31, 2012, North Shelby purchased 157,949,000 gallons of water from Frankfort, 1,669,580 gallons from Shelbyville, and 285,423,000 gallons from Louisville.³ It sold 378,641,300 gallons of water during the same period. The increase in the cost of purchased water is \$15,794.90, resulting in a purchased water adjustment factor of \$0.04 per 1,000 gallons.

6. The purchased water adjustment factor of \$0.04 per 1,000 gallons is fair, just, and reasonable and should be approved.

7. The proposed rates, which are set forth in Appendix B to this Order, are fair, just, and reasonable.

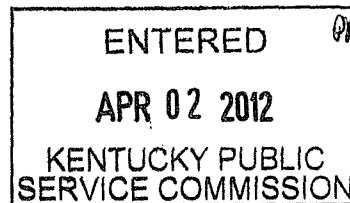
IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.04 per 1,000 gallons, as calculated in Appendix A, is approved.

3. The rates in Appendix B are approved for service that North Shelby renders on and after April 1, 2012.

4. North Shelby's proposed tariff sheet filed with the application is approved.

By the Commission



ATTEST:



Executive Director

³ During this period, North Shelby did not purchase any water from West Shelby.

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00084 DATED **APR 02 2012**

	Changed Rate	Base Rate
Frankfort		
Purchases in gallons	157,949,000	157,949,000
Volumetric rate	<u>\$ 1.91 /1,000</u>	<u>\$ 1.81/1,000</u>
	\$ 301,682.59	\$ 285,887.69

Shelbyville		
West Shelby		
Louisville		
Volumetric rate	<u>\$ No Change</u>	<u>\$ No Change</u>
	Increased water cost	\$ 15,794.90

Increased water cost	\$ 15,794.90
Divided by gallons sold	<u>378,641,300</u>
Purchased water adjustment factor	\$0.04 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2012-00084 DATED APR 02 2012

The following rates and charges are prescribed for the customers in the area served by North Shelby Water Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8 x 3/4 Inch Meter

First	2,000 gallons	\$15.29	Minimum Bill
Next	3,000 gallons	6.26	per 1,000 gallons
Next	5,000 gallons	4.88	per 1,000 gallons
Next	40,000 gallons	4.19	per 1,000 gallons
Over	50,000 gallons	3.51	per 1,000 gallons

1-Inch Meter

First	5,000 gallons	\$34.07	Minimum Bill
Next	5,000 gallons	4.88	per 1,000 gallons
Next	40,000 gallons	4.19	per 1,000 gallons
Over	50,000 gallons	3.51	per 1,000 gallons

1-1/2 Inch Meter

First	10,000 gallons	\$58.47	Minimum Bill
Next	40,000 gallons	4.19	per 1,000 gallons
Over	50,000 gallons	3.51	per 1,000 gallons

2-Inch Meter

First	15,000 gallons	\$79.42	Minimum Bill
Next	35,000 gallons	4.19	per 1,000 gallons
Over	50,000 gallons	3.51	per 1,000 gallons

3-Inch Meter

First	35,000 gallons	\$163.22	Minimum Bill
Next	15,000 gallons	4.19	per 1,000 gallons
Over	50,000 gallons	3.51	per 1,000 gallons

Jerry Ruble
Chairman
North Shelby Water Company
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