

North Shelby Water Company

PO Box 97

Bagdad, KY 40003

Toll Free 1-800-870-4148

(502) 747-8942

Fax: (502) 747-5048

RECEIVED

JUN 3 2014

PUBLIC SERVICE  
COMMISSION

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Lloyd Eades, Vice President

Tom Miginnis, Secretary/Treasurer

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Bryan Franklin, Director

Jim Smith, Director

June 1, 2014

Jeff R. Derouen

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 Mr. Derouen

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, Louisville Water Company, that it will increase meter service charges by \$73.16 per month and wholesale rates by \$0.05 per 1000 gallons. These increases will take effect July 1, 2014. The result of these increases is \$12,380.87 in additional yearly supply cost for the Company. This translates into \$0.04 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 Wholesale Tariffs

Exhibit C – Statement of Water Purchased

Exhibit D – Statement of Water Sold

Exhibit E – Notice to Customers

Exhibit F – Revised Tariff Sheet

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.

Sincerely,



Jerry Ruble, President

JR/jlm

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

|                  |                            |       |
|------------------|----------------------------|-------|
| Name of Utility  | North Shelby Water Company |       |
| Date             | 6/1/2014                   |       |
| 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  |
|---|---|---|
| Louisville Water Company                          | Monthly Meter Service<br>Charge: \$805.60<br>(Two (2) – 3" meters @<br>\$148.40 per meter)<br>(Two (2) – 4" meters @<br>\$254.40 per meter)<br><br>Rate per 1000 gallons: \$1.75<br><br>Elevated Area Surcharge<br>per 1000 gallons: \$0.30 | Monthly Meter Service<br>Charge: \$878.76<br>(Two (2) – 3" meters @<br>\$161.88 per meter)<br>(Two (2) – 4" meters @<br>\$277.50 per meter)<br><br>Rate per 1000 gallons: \$1.80<br><br>Elevated Area Surcharge<br>per 1000 gallons: \$0.30 |
| Frankfort Electric & Water<br>Plant Board         | Rate per 1000 gallons: \$2.01<br><br>KRA Withdraw Fee<br>per 1000 gallons: \$0.1079   | No Change   |
| Shelbyville Municipal<br>Water & Sewer Commission | Rate per 1000 gallons: \$1.765  | 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 | May 2013         | through | April 2014       |
|      | (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 |
|--|--|
| Louisville Water Company                       | 230,059,000                              |
| Frankfort Electric & Water Plant Board         | 165,980,000                              |
| Shelbyville Municipal Water & Sewer Commission | 13,828,100                               |
| West Shelby Water District                     | 0  |
| <b>TOTAL PURCHASES</b>                         | 409,867,100                              |

4. Total sales for the 12 month period 371,793,800

5. Increased water cost \$12,380.87

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

6. Purchased water adjustment factor \$0.04

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 July 1, 2014



Signature of Utility Officer

*President*

Title

**Increased Water Cost Calculation:**

**Louisville Water Company**

$$(12 \times \$878.76) + (230,059 \times \$2.10) = \$493,669.02$$

$$(12 \times \$805.60) + (230,059 \times \$2.05) = \$481,288.15$$

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$$\text{Increased Water Cost} = \$12,380.87$$

**Purchased Water Adjustment Factor Calculation:**

$$\text{Increased Cost of Water} = \$12,380.87$$

$$\text{Total Gallons Sold} = 371,793,800$$

$$\$12,380.87 / 371,793.8 = \$0.04 \text{ per 1000 Gallons}$$



February 28, 2014

Mr. Pete Hedges  
Manager  
North Shelby Water Company  
P.O. Box 97  
Bagdad, KY 40003

Dear Pete:

On behalf of Louisville Water Company, thank you for attending the meeting of our wholesale customers earlier this week. I appreciate the opportunity for feedback from this important customer group.

As previously discussed at the above meeting, the wholesale commodity charge effective July 1, 2014 will be \$1.80 per thousand gallons, plus an elevated service area surcharge of \$0.30 per thousand gallons.

We are planning to file the necessary documentation for this new rate with the Public Service Commission over the next few weeks. The PSC advised us in the past that we must inform you of the proposed rate increase in the format of the notice attached on the next page, although we have already provided notice to you at our wholesale customer meeting February 25, 2014.

Thank you again for attending our wholesale customer meeting. If you have any questions or need additional information please call Patti Kaelin at 502.569.0843, or Jim Smith at 502.569.3687. I can also be reached at 502.569.3641.

Sincerely,

James H. Brammell, PE, PLS  
President & CEO

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## NOTICE

The Louisville Water Company has filed a proposed rate schedule which will increase by 2.5% the rate(s) which it currently charges to North Shelby Water Company for water service.

Louisville Water Company currently charges North Shelby Water Company a \$148.40 monthly meter fee, a \$254.40 monthly meter fee, \$1.75 per thousand gallons, and \$0.30 elevated service area surcharge per thousand gallons, for a total rate of \$2.05 per thousand gallons.

Louisville Water Company proposes to charge North Shelby Water Company a \$161.88 monthly meter fee, a \$277.50 monthly meter fee, and \$1.80 per thousand gallons, and \$0.30 elevated service area surcharge per thousand gallons, for a total rate of \$2.10 per thousand gallons, effective July 1, 2014.

The rates contained in this notice are the rates proposed by Louisville Water Company. The Public Service Commission, however, may order rates to be charged that differ from the proposed rates contained in this notice.

Any corporation, association or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate application and other filings made by Louisville Water Company by contacting Barbara Dickens at Louisville Water Company, 550 s. 3<sup>rd</sup> Street, Louisville, Kentucky. Her phone number is 502.569.0808.

Any person may examine the Louisville Water Company rate application and any other filings at its main office at 550 s. 3<sup>rd</sup> Street, Louisville, Kentucky or at the Public Service Commission's Office at 211 Sower Blvd, Frankfort, Kentucky.

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

**LOUISVILLE WATER COMPANY**

| Month        | Usage/Gallons      | Total Cost          |
|--------------|--------------------|---------------------|
| May 2013     | 16,883,000         | 34,120.93           |
| June         | 19,612,000         | 39,812.20           |
| July         | 23,020,000         | 46,545.10           |
| August       | 13,010,000         | 27,153.86           |
| September    | 24,053,000         | 50,141.11           |
| October      | 23,701,000         | 49,392.65           |
| November     | 19,082,000         | 39,923.70           |
| December     | 16,921,000         | 35,547.35           |
| January      | 17,135,000         | 35,932.35           |
| February     | 20,483,000         | 42,768.89           |
| March        | 18,452,000         | 38,685.90           |
| April 2014   | 17,707,000         | 37,104.95           |
| <b>TOTAL</b> | <b>230,059,000</b> | <b>\$477,128.99</b> |

**FRANKFORT ELECTRIC & WATER PLANT BOARD**

| Month        | Usage/Gallons      | Total Cost          |
|--------------|--------------------|---------------------|
| May 2013     | 11,270,000         | 22,781.99           |
| June         | 12,255,000         | 25,954.86           |
| July         | 16,475,000         | 34,892.40           |
| August       | 15,605,000         | 33,049.83           |
| September    | 15,980,000         | 34,089.34           |
| October      | 17,180,000         | 37,967.80           |
| November     | 12,470,000         | 27,558.70           |
| December     | 10,725,000         | 23,702.25           |
| January      | 12,465,000         | 27,547.65           |
| February     | 12,690,000         | 28,044.90           |
| March        | 15,210,000         | 33,614.10           |
| April 2014   | 13,655,000         | 30,177.55           |
| <b>TOTAL</b> | <b>165,980,000</b> | <b>\$359,381.37</b> |

**SHELBYVILLE MUNICIPAL WATER & SEWER COMMISSION**

| Month        | Usage/Gallons     | Total Cost         |
|--------------|-------------------|--------------------|
| May 2013     | 1,171,600         | 2,144.03           |
| June         | 1,638,800         | 2,999.00           |
| July         | 1,908,000         | 3,491.64           |
| August       | 1,496,700         | 2,738.96           |
| September    | 1,508,700         | 2,760.92           |
| October      | 1,553,500         | 2,842.90           |
| November     | 1,177,700         | 2,155.19           |
| December     | 830,200           | 1,519.27           |
| January      | 410,100           | 750.48             |
| February     | 622,100           | 1,138.45           |
| March        | 840,800           | 1,538.67           |
| April 2014   | 669,900           | 1,225.91           |
| <b>TOTAL</b> | <b>13,828,100</b> | <b>\$25,305.42</b> |

**WEST SHELBY WATER DISTRICT**

| Month        | Usage/Gallons | Total Cost    |
|--------------|---------------|---------------|
| May 2013     | 0             | \$0.00        |
| June         | 0             | 0.00          |
| July         | 0             | 0.00          |
| August       | 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 2014   | 0             | 0.00          |
| <b>TOTAL</b> | <b>0</b>      | <b>\$0.00</b> |

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

| Month        | Residential        | Commercial        | Other            | Total Gallons Sold |
|--------------|--------------------|-------------------|------------------|--------------------|
| May 2013     | 22,424,200         | 2,847,000         | 140,300          | 25,411,500         |
| June         | 28,365,400         | 3,591,600         | 185,000          | 32,142,000         |
| July         | 29,424,600         | 3,380,500         | 25,300           | 32,830,400         |
| August       | 30,722,300         | 3,886,200         | 42,000           | 34,650,500         |
| September    | 29,450,500         | 3,059,400         | 143,900          | 32,653,800         |
| October      | 28,573,900         | 3,119,900         | 189,200          | 31,883,000         |
| November     | 24,807,100         | 3,334,800         | 149,200          | 28,291,100         |
| December     | 23,143,800         | 3,130,800         | 187,600          | 26,462,200         |
| January      | 28,761,200         | 3,362,300         | 167,700          | 32,291,200         |
| February     | 33,545,600         | 3,721,700         | 230,700          | 37,498,000         |
| March        | 32,445,500         | 2,151,200         | 143,900          | 34,740,600         |
| April 2014   | 20,301,100         | 2,471,700         | 166,700          | 22,939,500         |
| <b>TOTAL</b> | <b>331,965,200</b> | <b>38,057,100</b> | <b>1,771,500</b> | <b>371,793,800</b> |

## 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, 2014. An application has been filed with the Kentucky Public Service Commission to increase rates as follows:

|                            | <u>Existing Rates</u>    | <u>Proposed Rates</u>    |
|----------------------------|--------------------------|--------------------------|
| <u>5/8" x 3/4" Meters:</u> |                          |                          |
| First 2,000 gallons        | \$16.44 Minimum Bill     | \$16.52 Minimum Bill     |
| Next 3,000 gallons         | \$6.54 per 1,000 gallons | \$6.58 per 1,000 gallons |
| Next 5,000 gallons         | \$5.16 per 1,000 gallons | \$5.20 per 1,000 gallons |
| Next 40,000 gallons        | \$4.47 per 1,000 gallons | \$4.51 per 1,000 gallons |
| Over 50,000 gallons        | \$3.79 per 1,000 gallons | \$3.83 per 1,000 gallons |
| <br><u>1" Meters:</u>      |                          |                          |
| First 5,000 gallons        | \$36.06 Minimum Bill     | \$36.26 Minimum Bill     |
| Next 5,000 gallons         | \$5.16 per 1,000 gallons | \$5.20 per 1,000 gallons |
| Next 40,000 gallons        | \$4.47 per 1,000 gallons | \$4.51 per 1,000 gallons |
| Over 50,000 gallons        | \$3.79 per 1,000 gallons | \$3.83 per 1,000 gallons |
| <br><u>1 1/2" Meters:</u>  |                          |                          |
| First 10,000 gallons       | \$61.86 Minimum Bill     | \$62.26 Minimum Bill     |
| Next 40,000 gallons        | \$4.47 per 1,000 gallons | \$4.51 per 1,000 gallons |
| Over 50,000 gallons        | \$3.79 per 1,000 gallons | \$3.83 per 1,000 gallons |
| <br><u>2" Meters:</u>      |                          |                          |
| First 15,000 gallons       | \$84.21 Minimum Bill     | \$84.81 Minimum Bill     |
| Next 35,000 gallons        | \$4.47 per 1,000 gallons | \$4.51 per 1,000 gallons |
| Over 50,000 gallons        | \$3.79 per 1,000 gallons | \$3.83 per 1,000 gallons |
| <br><u>3" Meters:</u>      |                          |                          |
| First 35,000 gallons       | \$173.61 Minimum Bill    | \$175.01 Minimum Bill    |
| Next 15,000 gallons        | \$4.47 per 1,000 gallons | \$4.51 per 1,000 gallons |
| Over 50,000 gallons        | \$3.79 per 1,000 gallons | \$3.83 per 1,000 gallons |

As noted above, based on the increased cost of water from the Louisville Water Company all rates will increase \$0.04 per 1,000 gallons.

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 in this notice.

Any corporation, association, body politic, or person may, by motion within thirty (30) days after publication of this fee change, request leave to intervene; and the motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, Post Office Box 615, Frankfort, KY 40602, and shall set forth the grounds for the request including the status and interest of the party.

Intervenors may obtain copies of the application and related filings by contacting the Water Company office located at 4596 Bagdad Road, KY 40003.

This notice is published pursuant to 807 KAR 5:011-Tariffs.

**NORTH SHELBY WATER COMPANY**  
s/ Jerry Ruble, President

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 | \$16.52 Minimum Bill     |
| Next 3,000 gallons  | \$6.58 per 1,000 gallons |
| Next 5,000 gallons  | \$5.20 per 1,000 gallons |
| Next 40,000 gallons | \$4.51 per 1,000 gallons |
| Over 50,000 gallons | \$3.83 per 1,000 gallons |

1 Inch Meters:

|                     |                          |
|---------------------|--------------------------|
| First 5,000 gallons | \$36.26 Minimum Bill     |
| Next 5,000 gallons  | \$5.20 per 1,000 gallons |
| Next 40,000 gallons | \$4.51 per 1,000 gallons |
| Over 50,000 gallons | \$3.83 per 1,000 gallons |

1 1/2 Inch Meters:

|                      |                          |
|----------------------|--------------------------|
| First 10,000 gallons | \$62.26 Minimum Bill     |
| Next 40,000 gallons  | \$4.51 per 1,000 gallons |
| Over 50,000 gallons  | \$3.83 per 1,000 gallons |

2 Inch Meters:

|                      |                          |
|----------------------|--------------------------|
| First 15,000 gallons | \$84.81 Minimum Bill     |
| Next 35,000 gallons  | \$4.51 per 1,000 gallons |
| Over 50,000 gallons  | \$3.83 per 1,000 gallons |

3 Inch Meters:

|                      |                          |
|----------------------|--------------------------|
| First 35,000 gallons | \$175.01 Minimum Bill    |
| Next 15,000 gallons  | \$4.51 per 1,000 gallons |
| Over 50,000 gallons  | \$3.83 per 1,000 gallons |

DATE OF ISSUE June 1, 2014  
Month / Date / Year

DATE EFFECTIVE July 1, 2014  
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 \_\_\_\_\_