

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 01 2015

PUBLIC SERVICE
COMMISSION

Kevin Armstrong, Director
James Anglin, Director
Herb McCoun, Director
Bryan Franklin, Director
Jim Smith, Director

Jerry Ruble, President

Lloyd Eades, Vice President

Tom Miginnis, Secretary/Treasurer

June 1, 2015

Jeff R. Derouen
Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY 40602

Case No. 2015-00176

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 \$73.14 per month and wholesale rates by \$0.05 per 1000 gallons. These increases will take effect July 1, 2015. The result of these increases is \$13,338.73 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 Supplier Notice of an Increase in Wholesale Rates

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.

Sincerely,



Jerry Ruble, President

JR/jlm

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

RECEIVED

Name of Utility	North Shelby Water Company		JUN 01 2015
Date	6/1/2015		PUBLIC SERVICE COMMISSION
Address	P.O. Box 97		
City, State, Zip	Bagdad, Kentucky	40003	
Telephone Number	(502) 747-8942		

1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

Supplier(s)	Base Rate	Changed Rate
Louisville Water Company	Monthly Meter Service Charge: \$878.76 (Two (2) – 3" meters @ \$161.88 per meter) (Two (2) – 4" meters @ \$277.50 per meter) Rate per 1000 gallons: \$1.80 Elevated Area Surcharge per 1000 gallons: \$0.30	Monthly Meter Service Charge: \$951.90 (Two (2) – 3" meters @ \$175.35 per meter) (Two (2) – 4" meters @ \$300.60 per meter) Rate per 1000 gallons: \$1.80 Elevated Area Surcharge per 1000 gallons: \$0.35
Frankfort Electric & Water Plant Board	Rate per 1000 gallons: \$2.25 KRA Withdraw Fee per 1000 gallons: \$0.20	No Change
Shelbyville Municipal Water & Sewer Commission	Rate per 1000 gallons: \$1.894	No Change
West Shelby Water District	Rate per 1000 gallons: \$7.54	No Change

1.b. A copy of the supplier's notice of the changed rates showing the effective date of the increases are attached as Exhibit B.

2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From	April 2014 (month and year)	through	March 2015 (month and year)
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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	249,221,000
Frankfort Electric & Water Plant Board	153,145,000
Shelbyville Municipal Water & Sewer Commission	9,233,400
West Shelby Water District	0
TOTAL PURCHASES	411,599,400
4. Total sales for the 12 month period 345,045,900	
5. Increased water cost	\$13,338.73
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.	
<p>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.</p>	
7. Proposed effective date	July 1, 2015
 Signature of Utility Officer	
President	

Increased Water Cost Calculation:

Louisville Water Company

$$(12 \times \$951.90) + (249,221 \times \$2.15) = \$547,247.95$$

$$(12 \times \$878.76) + (249,221 \times \$2.10) = \$533,909.22$$

$$\text{Increased Water Cost} = \$13,338.73$$

Purchased Water Adjustment Factor Calculation:

$$\text{Increased Cost of Water} = \$13,338.73$$

$$\text{Total Gallons Sold} = 345,045,900$$

$$\$13,338.73 / 345,045.9 = \$0.04 \text{ per 1000 Gallons}$$

NOTICE

The Louisville Water Company has filed a proposed rate schedule which will increase by 2.4% 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 \$161.88 monthly meter fee, \$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.

Louisville Water Company proposes to charge North Shelby Water Company a \$175.35 monthly meter fee, and \$1.80 per thousand gallons, and \$0.35 elevated service area surcharge per thousand gallons, for a total rate of \$2.15 per thousand gallons, effective July 1, 2015.

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. 3rd 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. 3rd Street, Louisville, Kentucky or at the Public Service Commission's Office at 211 Sower Blvd, Frankfort, Kentucky.

FOR North Shelby Water Company

P.S.C. KY. NO. 1

Ninth Revised SHEET NO. 1

Louisville Water Company

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

Eighth Revised SHEET NO. 1

CONTENTS

The title page and pages 1 through 6 inclusive are effective as of the date shown thereon. Original and revised pages as named below contain all changes from the original tariff that are in effect on the date thereof.

<u>Page</u>	<u>Number of Revisions</u>
Tariff Title Page	Original
1	Ninth Revised
2	Original
3	Original
4	Original
5	Ninth Revised
6	Ninth Revised

DATE OF ISSUE March 30, 2015
Month / Date / Year

DATE EFFECTIVE July 1, 2015

ISSUED BY *Amber Halloran*
Month / Date / Year
(Signature of Officer)

TITLE Vice President, Finance and Treasurer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. N/A DATED N/A

FOR North Shelby Water Company

P.S.C. KY. NO. 1

Ninth Revised SHEET NO. 5

Louisville Water Company

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

Eighth Revised SHEET NO. 5

RATES AND CHARGES

Applicable: North Shelby Water Company

Availability: Utilities Purchasing Water for Resale

Rates: 6.02.01 The service charge for classes of customers taking metered service and situated within the Retail Service Area, shall be charged in accordance with the following schedule:

<u>Meter Size</u>	<u>Service Charge Monthly Bill</u>	<u>Daily Rate</u>
5/8" or 5/8 x 3/4"	\$ 10.02	0.32942
3/4"	\$ 10.02	0.32942
1"	\$ 25.05	0.82356
1 1/2"	\$ 50.10	1.64712
2"	\$ 80.16	2.63540
3"	\$ 175.35	5.76493
4"	\$ 300.60	9.88274
6"	\$ 701.40	23.05973
8"	\$1,252.50	41.17808
10"	\$1,903.80	62.59068
12"	\$2,905.80	95.53315
16"	\$5,761.50	189.41917

DATE OF ISSUE March 30, 2015
Month / Date / Year

DATE EFFECTIVE July 1, 2015
Month / Date / Year

ISSUED BY Amber Halpern
(Signature of Officer)

TITLE Vice President, Finance and Treasurer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. N/A DATED N/A

FOR North Shelby Water Company

P.S.C. KY. NO. 1

Ninth Revised SHEET NO. 6

Louisville Water Company

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

Eighth Revised SHEET NO. 6

RULES AND REGULATIONS

6.02.03 ELEVATED SERVICE AREA SURCHARGE

All customers shall pay a surcharge of \$0.35 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.

6.03 WHOLESALE CUSTOMERS (Effective July 1, 2015)

Wholesale customers which purchase water for resale wherever situated shall be charged: \$1.80 per thousand gallons for all water purchased, the elevated service area surcharge of \$0.35 per thousand gallons, if applicable, and the service charge shall be charged in accordance with 6.02.01.

MINIMUM CHARGE N/A

DELAY CHARGE

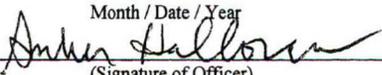
In the event that payment for any charge is not made within twenty (20) days from the billing date, the net amount of the bill shall be increased by 5% and the gross amount thus determined must be paid.

TERM

The agreement shall have a term of 42 years from December 15, 2000, which term shall automatically extend for one additional year at each anniversary. Either party may give notice to the other party prior to the anniversary that the term shall not be automatically extended.

DATE OF ISSUE March 30, 2015
Month / Date / Year

DATE EFFECTIVE July 1, 2015
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE Vice President, Finance and Treasurer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. N/A DATED N/A

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

LOUISVILLE WATER COMPANY

Month	Usage/Gallons	Total Cost
April 2014	17,707,000	37,104.95
May	18,258,000	38,288.20
June	18,337,000	38,369.59
July	33,848,000	70,516.24
August	14,258,000	30,439.76
September	25,554,000	54,571.46
October	23,186,000	49,569.36
November	21,953,000	46,980.06
December	19,737,000	42,355.76
January	17,570,000	37,775.76
February	21,593,000	46,399.82
March 2015	17,220,000	36,982.18
TOTAL	249,221,000	\$529,353.14

FRANKFORT ELECTRIC & WATER PLANT BOARD

Month	Usage/Gallons	Total Cost
April 2014	13,655,000	30,177.55
May	11,170,000	24,685.70
June	12,475,000	27,569.75
July	12,910,000	28,531.10
August	13,875,000	30,663.75
September	15,570,000	34,409.70
October	12,335,000	27,260.35
November	10,760,000	23,779.60
December	12,350,000	27,293.50
January	12,290,000	29,225.62
February	12,900,000	31,605.00
March 2015	12,855,000	31,494.75
TOTAL	153,145,000	\$346,696.37

SHELBYVILLE MUNICIPAL WATER & SEWER COMMISSION

Month	Usage/Gallons	Total Cost
April 2014	669,900	1,225.91
May	673,800	1,233.05
June	756,400	1,384.21
July	987,800	1,807.67
August	1,018,800	1,864.40
September	1,030,000	1,884.90
October	748,300	1,369.39
November	1,240,500	2,270.11
December	492,600	901.46
January	499,800	914.64
February	578,800	1,059.21
March 2015	536,700	1,016.51
TOTAL	9,233,400	\$16,931.46

WEST SHELBY WATER DISTRICT

Month	Usage/Gallons	Total Cost
April 2014	0	\$0.00
May	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 2015	0	0.00
TOTAL	0	\$0.00

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

Month	Residential	Commercial	Other	Total Gallons Sold
April 2014	20,301,100	2,471,700	166,700	22,939,500
May	23,665,100	3,274,000	164,000	27,103,100
June	30,362,700	4,112,300	232,200	34,707,200
July	26,804,200	2,849,600	62,600	29,716,400
August	29,868,600	3,437,900	36,400	33,342,900
September	34,769,300	4,162,100	233,300	39,164,700
October	23,134,100	3,173,500	175,100	26,482,700
November	21,805,700	2,926,200	168,300	24,900,200
December	24,197,100	3,522,600	185,600	27,905,300
January	23,264,700	2,707,900	153,000	26,125,600
February	22,209,500	3,368,900	153,200	25,731,600
March 2015	23,552,600	3,199,200	174,900	26,926,700
TOTAL	303,934,700	39,205,900	1,905,300	345,045,900

LEGAL NOTICE REGARDING THE NORTH SHELBY WATER COMPANY

Notice is hereby given that because of an increase in the cost of water purchased from the Louisville Water Company, the North Shelby Water Company will increase its rates for services effective July 1, 2015. An application requesting the proposed rates was filed with the Kentucky Public Service Commission on June 1, 2015 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	\$17.96 Minimum Bill	\$18.04 Minimum Bill	\$0.08	0.45%
Next 3,000 gallons	\$6.79 per 1,000 gallons	\$6.83 per 1,000 gallons	\$0.04	0.59%
Next 5,000 gallons	\$5.41 per 1,000 gallons	\$5.45 per 1,000 gallons	\$0.04	0.74%
Next 40,000 gallons	\$4.72 per 1,000 gallons	\$4.76 per 1,000 gallons	\$0.04	0.85%
Over 50,000 gallons	\$4.04 per 1,000 gallons	\$4.08 per 1,000 gallons	\$0.04	0.99%
<u>1" Meters:</u>				
First 5,000 gallons	\$38.30 Minimum Bill	\$38.50 Minimum Bill	\$0.20	0.52%
Next 5,000 gallons	\$5.41 per 1,000 gallons	\$5.45 per 1,000 gallons	\$0.04	0.74%
Next 40,000 gallons	\$4.72 per 1,000 gallons	\$4.76 per 1,000 gallons	\$0.04	0.85%
Over 50,000 gallons	\$4.04 per 1,000 gallons	\$4.08 per 1,000 gallons	\$0.04	0.99%
<u>1 1/2" Meters:</u>				
First 10,000 gallons	\$65.35 Minimum Bill	\$65.75 Minimum Bill	\$0.40	0.61%
Next 40,000 gallons	\$4.72 per 1,000 gallons	\$4.76 per 1,000 gallons	\$0.04	0.85%
Over 50,000 gallons	\$4.04 per 1,000 gallons	\$4.08 per 1,000 gallons	\$0.04	0.99%
<u>2" Meters:</u>				
First 15,000 gallons	\$88.95 Minimum Bill	\$88.95 Minimum Bill	\$0.60	0.67%
Next 35,000 gallons	\$4.72 per 1,000 gallons	\$4.76 per 1,000 gallons	\$0.04	0.85%
Over 50,000 gallons	\$4.04 per 1,000 gallons	\$4.08 per 1,000 gallons	\$0.04	0.99%
<u>3" Meters:</u>				
First 35,000 gallons	\$183.35 Minimum Bill	\$183.35 Minimum Bill	\$1.40	0.76%
Next 15,000 gallons	\$4.72 per 1,000 gallons	\$4.76 per 1,000 gallons	\$0.04	0.85%
Over 50,000 gallons	\$4.04 per 1,000 gallons	\$4.08 per 1,000 gallons	\$0.04	0.99%

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 monthly bill for a customer using an average of 5,000 gallons of water each month will increase from \$38.30 to \$38.50. This is an increase of \$0.20 or 0.52%.

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

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

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

NORTH SHELBY WATER COMPANY
s/ Jerry Ruble, President

EXHIBIT E

FOR ALL AREAS SERVED

P.S.C. KY. NO. _____

SHEET NO. _____

North Shelby Water Company
(Name of Utility)

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

SHEET NO. _____

RATES AND CHARGES

MONTHLY RATES:

5/8 x 3/4 Inch Meters:

First 2,000 gallons	\$18.04 Minimum Bill
Next 3,000 gallons	\$6.83 per 1,000 gallons
Next 5,000 gallons	\$5.45 per 1,000 gallons
Next 40,000 gallons	\$4.76 per 1,000 gallons
Over 50,000 gallons	\$4.08 per 1,000 gallons

1 Inch Meters:

First 5,000 gallons	\$38.50 Minimum Bill
Next 5,000 gallons	\$5.45 per 1,000 gallons
Next 40,000 gallons	\$4.76 per 1,000 gallons
Over 50,000 gallons	\$4.08 per 1,000 gallons

1 1/2 Inch Meters:

First 10,000 gallons	\$65.75 Minimum Bill
Next 40,000 gallons	\$4.76 per 1,000 gallons
Over 50,000 gallons	\$4.08 per 1,000 gallons

2 Inch Meters:

First 15,000 gallons	\$88.95 Minimum Bill
Next 35,000 gallons	\$4.76 per 1,000 gallons
Over 50,000 gallons	\$4.08 per 1,000 gallons

3 Inch Meters:

First 35,000 gallons	\$183.35 Minimum Bill
Next 15,000 gallons	\$4.76 per 1,000 gallons
Over 50,000 gallons	\$4.08 per 1,000 gallons

DATE OF ISSUE June 1, 2015
Month / Date / Year

DATE EFFECTIVE July 1, 2015
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 Louisville Water Company effective on July 1, 2015. 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 June 1, 2015. The rates proposed therein shall become effective for service rendered on or after July 1, 2015.

Action herein ordered shall be duly recorded in the minutes of this public meeting of the North Shelby Water Company held on this 18th day of May, 2015.

Ordered this the 18th of May, 2015.

Signed:



Jerry Ruble, President

Attest:



Tom McGinnis Secretary/Treasurer