

North Shelby Water Company
PO Box 97
Bagdad, KY 40003
Toll Free 1-800-870-4148
(502) 747-8942
Fax: (502) 747-5048

RECEIVED

NOV 21 2017

PUBLIC SERVICE
COMMISSION

Jerry Ruble, President

Lloyd Eades, Vice President

Tom Miginnis, Secretary/Treasurer

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

November 21, 2017

Gwen R. Pinson, Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY 40602

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

Dear Ms. Pinson:

The North Shelby Water Company respectfully requests that the Commission allow for an adjustment to our rates in accordance with 807 KAR 5:068 Purchased Water Adjustment clause.

The Company was recently notified by its supplier, the Shelbyville Municipal Water & Sewer Commission, that it would increase its wholesale rates by \$0.15 per 1000 gallons. This increase took effect on November 19, 2017. The result of these increase is \$16,325.41 in additional yearly supply cost for the Company. This translates into \$0.05 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 Shelbyville Municipal Water & Sewer Commission's 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 on behalf of the Company.

Sincerely,



Jerry Ruble, President

JR/jlm

RECEIVED

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

NOV 21 2017

PUBLIC SERVICE
COMMISSION

Name of Utility	North Shelby Water Company		
Date	11/21/2017		
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	
Shelbyville Municipal Water & Sewer Commission	Rate per 1000 gallons: \$1.96	Rate per 1000 gallons: \$2.11	
Louisville Water Company	Monthly Meter Service Charge: \$1,026.00 (Two (2) – 3" meters @ \$189.00 per meter) (Two (2) – 4" meters @ \$324.00 per meter) Rate per 1000 gallons: \$1.88 Elevated Area Surcharge per 1000 gallons: \$0.37	No Change	
Frankfort Electric & Water Plant Board	Rate per 1000 gallons: \$2.55 KRA Withdraw Fee per 1000 gallons: \$0.20	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	October 2016	through	September 2017
	(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
Shelbyville Municipal Water & Sewer Commission	108,836,100
Louisville Water Company	266,357,000
Frankfort Electric & Water Plant Board	63,955,000
West Shelby Water District	0
TOTAL PURCHASES	439,148,100
4. Total sales for the 12 month period 363,487,800	
5. Increased water cost	\$16,325.41
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	\$0.05
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	December 1, 2017
 Signature of Utility Officer	
<i>President</i> Title	

Increased Water Cost Calculation:

Shelbyville Municipal Water & Sewer Commission

$$(108,836.10 \times \$2.11) = \$229,644.17$$

$$(108,836.10 \times \$1.96) = \$213,318.76$$

$$\text{Increased Water Cost} = \$16,325.41$$

Purchased Water Adjustment Factor Calculation:

$$\text{Increased Cost of Water} = \$16,325.41$$

$$\text{Total Gallons Sold} = 363,487,800$$

$$\$16,325.41 / 363,487.80 = \$0.0449 \text{ per 1000 Gallons}$$

$$= \$0.05 \text{ per 1000 Gallons}$$

Shelbyville Municipal Water & Sewer Commission

P.O. Box 608

1059 Washington St.

Shelbyville, Ky. 40066

Phone: 502-633-2840 FAX: 502-633-1939

October 16, 2017

CERTIFIED MAIL

Mr. Jerry Ruble, Chairman
North Shelby Water Company
P.O. Box 97
Bagdad, Ky. 40003

RE: Rate Increase

Dear Mr. Ruble:

The Commission met on Monday October 16, 2017, and recommended a Rate Increase of approximately 7.5%, for water only, to the Shelbyville City Council.

The Shelbyville City Council will hold its first reading on Thursday, October 19, 2017, and its second reading on Thursday, November 2, 2017.

The rate increase for these Wholesale Purchasers will be effective for water used between November 19, 2017 and December 19, 2017, for billing dated January 1, 2018

Normally the Water Districts meters are read on the 19th of each month.

Your proposed rate increase is from \$1.96 to \$2.11/1,000 gal, or an increase of 7.6%.

Enclosed is a copy of the proposed rate ordinance to be submitted to the City Council, a copy of the PSC "Form for Filing Rate Schedules", and the formal "NOTICE" as the PSC requires.

This information has been mailed to the PSC.

Sincerely,



Thomas G, Doyle
Manager

Shelbyville Municipal Water & Sewer Commission

P.O. Box 608

1059 Washington St.

Shelbyville, Ky. 40066

Phone: 502-633-2840 FAX: 502-633-1939

October 16, 2017

CERTIFIED MAIL

Mr. David Hedges. Manager
North Shelby Water Company
P.O. Box 97
Bagdad, Ky. 40003

RE: Rate Increase

Dear Mr. Hedges:

The Commission on Monday October 16, 2017 recommended a Rate Increase of approximately 7.5%, for water only, to the Shelbyville City Council.

The Shelbyville City Council will hold its first reading on Thursday, October 19, 2017, and its second reading on Thursday, November 2, 2017.

The rate increase for these Wholesale Purchasers will be effective for water used between November 19, 2017 and December 19, 2017, for billing dated January 1, 2018

Normally the Water Districts meters are read on the 19th of each month.

Your proposed rate increase is from \$1.96 to \$2.11/1,000 gal, or an increase of 7.6%.

Enclosed is a copy of the proposed rate ordinance to be submitted to the City Council, a copy of the PSC "Form for Filing Rate Schedules", and the formal "NOTICE" as the PSC requires.

This information has been mailed to the PSC.

Sincerely,



Thomas G, Doyle
Manager

NOTICE

The Shelbyville Municipal Water & Sewer Commission (SMW&SC) is providing notice that on October 16, 2017 it approved a proposed increase in rates, including wholesale rates, and recommended these changes to the City Council. On October 19, 2017 the SMWSC filed with the Public Service Commission to the wholesale rates it charges North Shelby Water Company and U.S.60 Water District of Shelby and Franklin Counties effective for water service rendered on and after November 19, 2017. The proposed rates are as follows:

	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>	<u>\$ Change</u>	<u>% Change</u>
North Shelby Water Company	\$1.960 per 1,000 gallons.	\$2.11 per 1,000 gallons	\$ 0.15 per 1,000 gal	7.6 % increase
U.S. 60 Water District of Shelby and Franklin Counties, Kentucky	\$1.960 per 1,000 gallons	\$2.11 per 1,000 gallons	\$ 0.15 per 1,000 gal	7.6 % increase

The Shelbyville City Council shall have the 1st hearing on October 19, 2017 and 2nd hearing on November 2, 2017.

Water flowing through the meter(s) before the effective date will be charged at the current rates while water is flowing through the meter(s) on and after the effective date will be charged at the proposed rates.

This filing may be examined at the Offices of SMW&SC located at 1059 Washington St. in Shelbyville, KY.

This filing may also be examined at the offices of the Public Service Commission located at 211 Sower Boulevard in Frankfort, Kentucky, Monday-Friday from 8:00 am-4:30 pm or on the PSC website at <http://psc.ky.gov>.

Comments regarding this filing may be submitted by mail to the Public Service Commission, Post Office Box 615, Frankfort KY 40602; or through its website at <http://psc.ky.gov>.

The Rates contained in this NOTICE are the rates proposed by the "SMW&SC", however the Public Service Commission may order rates that differ from the proposed rates.

Intervention may be requested by submitting a timely written request for intervention by mail to the Public Service Commission, Post Office Box 615, Frankfort, KY 40602. The request for intervention must establish the grounds for the request including the status and interest of the party.

If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the providing of this notice, the Public Service Commission may take final action on the filing.

RATEINCREASENOTICEFOR2018NORTHSHELBYANDUS60E

For: _____

PSC KY Number: _____

_____ Sheet No. _____

Cancelling PSC KY Number: _____

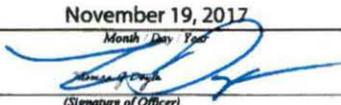
_____ Sheet No. _____

Shelbyville Municipal Water & Sewer Commission
(Name of Utility)

WHOLESALE WATER SERVICE	
NORTH SHELBY WATER COMPANY (Was \$1.960/1,000 gallons)	NEW RATE \$2.11/1,000 GALLONS

DATE OF ISSUE October 17, 2017
Month Day Year

DATE EFFECTIVE November 19, 2017
Month Day Year

ISSUED BY _____

(Signature of Officer)

TITLE Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

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

SHELBYVILLE MUNICIPAL WATER & SEWER COMMISSION

Month	Usage/Gallons	Total Cost
October 2016	10,292,000	19,493.05
November	9,214,700	17,452.64
December	9,424,200	17,849.43
January	7,840,800	14,850.48
February	8,739,100	16,551.86
March	8,121,900	15,918.93
April	7,748,300	15,186.67
May	8,808,100	17,263.88
June	9,105,200	17,846.19
July	9,796,600	19,201.34
August	9,880,500	19,365.78
September 2017	9,864,700	19,334.81
TOTAL	108,836,100	\$210,315.06

LOUISVILLE WATER COMPANY

Month	Usage/Gallons	Total Cost
October 2016	29,102,000	65,139.42
November	21,800,000	48,878.24
December	20,301,000	45,646.02
January	20,976,000	47,206.99
February	23,598,000	53,020.26
March	19,338,000	43,461.84
April	19,097,000	42,931.64
May	21,407,000	48,099.94
June	20,179,000	45,324.12
July	29,076,000	65,049.42
August	16,613,000	37,986.43
September 2017	24,870,000	56,901.98
TOTAL	266,357,000	\$599,646.30

FRANKFORT ELECTRIC & WATER PLANT BOARD

Month	Usage/Gallons	Total Cost
October 2016	5,845,000	14,904.75
November	6,240,000	15,912.00
December	4,770,000	12,163.50
January	5,215,000	13,802.93
February	5,940,000	15,741.00
March	5,165,000	13,687.25
April	4,120,000	10,918.00
May	3,600,000	9,540.00
June	4,365,000	11,567.25
July	5,155,000	14,898.65
August	6,225,000	16,496.25
September 2017	7,315,000	19,384.75
TOTAL	63,955,000	\$169,016.33

WEST SHELBY WATER DISTRICT

Month	Usage/Gallons	Total Cost
October 2016	0	\$0.00
November	0	0.00
December	0	0.00
January	0	0.00
February	0	0.00
March	0	0.00
April	0	0.00
May	0	0.00
June	0	0.00
July	0	0.00
August	0	0.00
September 2017	0	0.00
TOTAL	0	\$0.00

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

Month	Residential	Commercial	Other	Total Gallons Sold
October 2016	27,357,400	3,463,300	133,900	30,954,600
November	24,636,300	3,456,200	133,000	28,225,500
December	26,361,800	3,773,600	185,600	30,321,000
January	27,506,600	3,283,900	159,200	30,949,700
February	21,209,300	2,789,200	144,600	24,143,100
March	19,759,900	154,800	3,109,500	23,024,200
April	22,045,400	158,500	3,776,600	25,980,500
May	25,022,100	255,400	3,389,100	28,666,600
June	24,881,900	841,300	3,380,700	29,103,900
July	34,143,700	778,800	3,550,100	38,472,600
August	36,134,100	776,700	4,114,500	41,025,300
September 2017	28,296,600	417,500	3,906,700	32,620,800
TOTAL	317,355,100	20,149,200	25,983,500	363,487,800

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 Shelbyville Municipal Water & Sewer Commission, the North Shelby Water Company will increase its rates for services effective December 1, 2017. An application requesting the proposed rates was filed with the Kentucky Public Service Commission on November 21, 2017 to increase rates as follows:

	<u>Existing Rates</u>	<u>Proposed Rates</u>	<u>Increase (\$)</u>	<u>Increase (%)</u>
<u>5/8" x 3/4" Meters:</u>				
First 2,000 gallons	\$22.28 Minimum Bill	\$22.38 Minimum Bill	\$0.10	0.45%
Next 3,000 gallons	\$7.44 per 1,000 gallons	\$7.49 per 1,000 gallons	\$0.05	0.67%
Next 5,000 gallons	\$6.06 per 1,000 gallons	\$6.11 per 1,000 gallons	\$0.05	0.83%
Next 40,000 gallons	\$5.37 per 1,000 gallons	\$5.42 per 1,000 gallons	\$0.05	0.93%
Over 50,000 gallons	\$4.69 per 1,000 gallons	\$4.74 per 1,000 gallons	\$0.05	1.07%
<u>1" Meters:</u>				
First 5,000 gallons	\$44.60 Minimum Bill	\$44.85 Minimum Bill	\$0.25	0.56%
Next 5,000 gallons	\$6.06 per 1,000 gallons	\$6.11 per 1,000 gallons	\$0.05	0.83%
Next 40,000 gallons	\$5.37 per 1,000 gallons	\$5.42 per 1,000 gallons	\$0.05	0.93%
Over 50,000 gallons	\$4.69 per 1,000 gallons	\$4.74 per 1,000 gallons	\$0.05	1.07%
<u>1 1/2" Meters:</u>				
First 10,000 gallons	\$74.90 Minimum Bill	\$75.40 Minimum Bill	\$0.50	0.67%
Next 40,000 gallons	\$5.37 per 1,000 gallons	\$5.42 per 1,000 gallons	\$0.05	0.93%
Over 50,000 gallons	\$4.69 per 1,000 gallons	\$4.74 per 1,000 gallons	\$0.05	1.07%
<u>2" Meters:</u>				
First 15,000 gallons	\$101.75 Minimum Bill	\$102.50 Minimum Bill	\$0.75	0.74%
Next 35,000 gallons	\$5.37 per 1,000 gallons	\$5.42 per 1,000 gallons	\$0.05	0.93%
Over 50,000 gallons	\$4.69 per 1,000 gallons	\$4.74 per 1,000 gallons	\$0.05	1.07%
<u>3" Meters:</u>				
First 35,000 gallons	\$209.15 Minimum Bill	\$210.90 Minimum Bill	\$1.75	0.84%
Next 15,000 gallons	\$5.37 per 1,000 gallons	\$5.42 per 1,000 gallons	\$0.05	0.93%
Over 50,000 gallons	\$4.69 per 1,000 gallons	\$4.74 per 1,000 gallons	\$0.05	1.07%

As noted above, based on the increased cost of water from the Shelbyville Municipal Water & Sewer Commission all rates will increase \$0.05 per 1,000 gallons. The monthly bill for a customer using an average of 5,000 gallons of water each month will increase from \$44.60 to \$44.85. This is an increase of \$0.25 or 0.56%.

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	\$22.38 Minimum Bill
Next 3,000 gallons	\$7.49 per 1,000 gallons
Next 5,000 gallons	\$6.11 per 1,000 gallons
Next 40,000 gallons	\$5.42 per 1,000 gallons
Over 50,000 gallons	\$4.74 per 1,000 gallons

1 Inch Meters:

First 5,000 gallons	\$44.85 Minimum Bill
Next 5,000 gallons	\$6.11 per 1,000 gallons
Next 40,000 gallons	\$5.42 per 1,000 gallons
Over 50,000 gallons	\$4.74 per 1,000 gallons

1 1/2 Inch Meters:

First 10,000 gallons	\$75.40 Minimum Bill
Next 40,000 gallons	\$5.42 per 1,000 gallons
Over 50,000 gallons	\$4.74 per 1,000 gallons

2 Inch Meters:

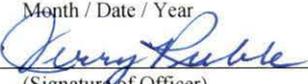
First 15,000 gallons	\$102.50 Minimum Bill
Next 35,000 gallons	\$5.42 per 1,000 gallons
Over 50,000 gallons	\$4.74 per 1,000 gallons

3 Inch Meters:

First 35,000 gallons	\$210.90 Minimum Bill
Next 15,000 gallons	\$5.42 per 1,000 gallons
Over 50,000 gallons	\$4.74 per 1,000 gallons

DATE OF ISSUE November 21, 2017
Month / Date / Year

DATE EFFECTIVE December 1, 2017
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 Shelbyville Municipal Water & Sewer Commission effective on November 19, 2017. 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 November 21, 2017. The rates proposed therein shall become effective for service rendered on or after December 1, 2017.

Action herein ordered shall be duly recorded in the minutes of this public meeting of the North Shelby Water Company held on this the 20th day of November, 2017.

Ordered this 20th day of November, 2017.

Signed:



Jerry Ruble, President

Attest:



Tom McGinnis Secretary/Treasurer