

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 2018

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

May 31, 2018

Ms. 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, Louisville Water Company, that it will increase meter service charges by \$36.10 per month and wholesale rates by \$0.05 per 1000 gallons. These increases will take effect July 1, 2018. The result of these increases is \$13,397.30 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 Louisville Water Company’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 – A 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

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PURCHASED WATER ADJUSTMENT FOR WATER DISTRICTS AND ASSOCIATIONS (807 KAR 5:068)			JUN 01 2018 PUBLIC SERVICE COMMISSION
Name of Utility	North Shelby Water Company		
Date	5/31/2018		
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: \$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	Monthly Meter Service Charge: \$1,062.10 (Two (2) – 3" meters @ \$195.65 per meter) (Two (2) – 4" meters @ \$335.40 per meter) Rate per 1000 gallons: \$1.93 Elevated Area Surcharge per 1000 gallons: \$0.37	
Shelbyville Municipal Water & Sewer Commission	Rate per 1000 gallons: \$2.11	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	May 2017 (month and year)	through	April 2018 (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	259,282,000
Shelbyville Municipal Water & Sewer Commission	104,293,300
Frankfort Electric & Water Plant Board	69,853,000
West Shelby Water District	0
TOTAL PURCHASES	433,428,300

4. Total sales for the 12 month period 374,968,700

5. Increased water cost \$13,397.30

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, 2018



Signature of Utility Officer

President

Title

Increased Water Cost Calculation:

Louisville Water Company

$$(12 \times \$1,062.10) + (259,282 \times \$2.30) = \$609,093.80$$

$$(12 \times \$1,026.00) + (259,282 \times \$2.25) = \$595,696.50$$

$$\text{Increased Water Cost} = \$13,397.30$$

Purchased Water Adjustment Factor Calculation:

$$\text{Increased Cost of Water} = \$13,397.30$$

$$\text{Total Gallons Sold} = 374,968,700$$

$$\begin{aligned} \$13,397.30 / 374,968.7 &= \$0.0357 \text{ per 1000 Gallons} \\ &= \$0.04 \text{ per 1000 Gallons} \end{aligned}$$



March 16, 2018

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 and regional partners earlier this week. We hope you found the information we shared beneficial.

As previously discussed at the above meeting, the proposed wholesale commodity charge effective July 1, 2018 will be \$1.93 per thousand gallons, plus an elevated service area surcharge of \$0.37 per thousand gallons, for a total wholesale rate of \$2.30 per thousand gallons.

We are planning to file the necessary documentation for this new rate with the Public Service Commission (PSC) toward the end of March. The PSC has 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 you notice at our wholesale customer meeting March 13, 2018.

Thank you again for attending our wholesale customer meeting. I appreciate the opportunity for feedback from this important customer group. 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 502.569.3675.

Sincerely,

Spencer W. Bruce, PE
President & CEO

NOTICE

Notice is hereby given that the Louisville Water Company ("LWC") plans to file with the Public Service Commission ("PSC") on or before March 31, 2018 to increase its rates for wholesale water service to North Shelby Water Company effective July 1, 2018. The proposed rates are as follows:

	<u>Current Rate</u>	<u>New Rate</u>	<u>\$ Change</u>	<u>% Change</u>
Monthly Service Charge (Per Meter)				
3" Meter	\$189.00	\$195.65	\$6.65	3.4%
4" Meter	\$324.00	\$335.40	\$11.40	3.4%
Commodity Rate (per 1,000 gallons)				
Volume Charge (per 1,000 gallons)	\$1.88	\$1.93	\$0.05	2.6%
Elevated Service Area Surcharge (per 1,000 gallons)	<u>0.37</u>	<u>0.37</u>	<u>0.00</u>	<u>0.0%</u>
Total Commodity Rate (per 1,000 gallons)	\$2.25	\$2.30	\$0.05	\$2.2%

The rates contained in this notice are the rates proposed by LWC but the PSC may order rates to be charged that differ from the proposed rates contained in this notice.

Any person may examine this filing by visiting LWC's office located at 550 S. 3rd Street in Louisville, Kentucky or by contacting Michael Tigue at the same address as above or by phone at 502-569-0808.

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

Comments regarding the filing may be submitted to the PSC through its website or by mail to Public Service Commission, Post Office Box 615, Frankfort, KY 40602.

A timely written request for intervention that establishes grounds for the request may also be submitted to the PSC. The PSC may take final action on the filing if a written request for intervention is not received within 30-days of the date notice was given.

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

LOUISVILLE WATER COMPANY

Month	Usage/Gallons	Total Cost
May 2017	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	24,870,000	56,901.98
October	26,700,000	61,221.88
November	22,610,000	51,816.98
December	21,454,000	49,350.92
January	18,602,000	42,832.72
February	22,854,000	52,568.38
March	18,061,000	41,621.68
April 2018	16,856,000	38,864.27
TOTAL	259,282,000	\$591,638.72

SHELBYVILLE MUNICIPAL WATER & SEWER COMMISSION

Month	Usage/Gallons	Total Cost
May 2017	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	9,864,700	19,334.81
October	8,912,200	17,563.95
November	7,854,600	15,395.01
December	7,824,400	15,335.82
January	7,380,300	15,572.43
February	9,194,800	19,401.03
March	8,573,300	18,089.67
April 2018	7,098,600	14,978.05
TOTAL	104,293,300	\$209,347.96

FRANKFORT ELECTRIC & WATER PLANT BOARD

Month	Usage/Gallons	Total Cost
May 2017	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	7,315,000	19,384.75
October	6,285,000	16,655.25
November	5,605,000	14,853.25
December	6,435,000	17,071.68
January	5,613,000	15,435.75
February	6,789,000	18,669.75
March	6,669,000	18,339.75
April 2018	5,797,000	15,941.75
TOTAL	69,853,000	\$188,854.08

WEST SHELBY WATER DISTRICT

Month	Usage/Gallons	Total Cost
May 2017	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 2018	0	0.00
TOTAL	0	\$0.00

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

Month	Residential	Commercial	Other	Total Gallons Sold
May 2017	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	28,296,600	417,500	3,906,700	32,620,800
October	28,940,700	433,900	4,607,200	33,981,800
November	26,842,800	680,600	5,069,000	32,592,400
December	20,244,000	255,400	3,852,600	24,352,000
January	24,102,500	399,700	2,526,200	27,028,400
February	32,074,700	279,100	3,073,900	35,427,700
March	23,038,400	144,500	3,555,000	26,737,900
April 2018	21,752,500	159,100	3,047,700	24,959,300
TOTAL	325,474,000	5,422,000	44,072,700	374,968,700

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, 2018. An application requesting the proposed rates was filed with the Kentucky Public Service Commission on May 31, 2018 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	\$22.38 Minimum Bill	\$22.46 Minimum Bill	\$0.08	0.36%
Next 3,000 gallons	\$7.49 per 1,000 gallons	\$7.53 per 1,000 gallons	\$0.04	0.53%
Next 5,000 gallons	\$6.11 per 1,000 gallons	\$6.15 per 1,000 gallons	\$0.04	0.66%
Next 40,000 gallons	\$5.42 per 1,000 gallons	\$5.46 per 1,000 gallons	\$0.04	0.74%
Over 50,000 gallons	\$4.74 per 1,000 gallons	\$4.78 per 1,000 gallons	\$0.04	0.84%
<u>1" Meters:</u>				
First 5,000 gallons	\$44.85 Minimum Bill	\$45.05 Minimum Bill	\$0.20	0.45%
Next 5,000 gallons	\$6.11 per 1,000 gallons	\$6.15 per 1,000 gallons	\$0.04	0.66%
Next 40,000 gallons	\$5.42 per 1,000 gallons	\$5.46 per 1,000 gallons	\$0.04	0.74%
Over 50,000 gallons	\$4.74 per 1,000 gallons	\$4.78 per 1,000 gallons	\$0.04	0.84%
<u>1 1/2" Meters:</u>				
First 10,000 gallons	\$75.40 Minimum Bill	\$75.80 Minimum Bill	\$0.40	0.54%
Next 40,000 gallons	\$5.42 per 1,000 gallons	\$5.46 per 1,000 gallons	\$0.04	0.74%
Over 50,000 gallons	\$4.74 per 1,000 gallons	\$4.78 per 1,000 gallons	\$0.04	0.84%
<u>2" Meters:</u>				
First 15,000 gallons	\$102.50 Minimum Bill	\$103.10 Minimum Bill	\$0.60	0.59%
Next 35,000 gallons	\$5.42 per 1,000 gallons	\$5.46 per 1,000 gallons	\$0.04	0.74%
Over 50,000 gallons	\$4.74 per 1,000 gallons	\$4.78 per 1,000 gallons	\$0.04	0.84%
<u>3" Meters:</u>				
First 35,000 gallons	\$210.90 Minimum Bill	\$212.30 Minimum Bill	\$1.40	0.66%
Next 15,000 gallons	\$5.42 per 1,000 gallons	\$5.46 per 1,000 gallons	\$0.04	0.74%
Over 50,000 gallons	\$4.74 per 1,000 gallons	\$4.78 per 1,000 gallons	\$0.04	0.84%

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 \$44.85 to \$45.05. This is an increase of \$0.20 or 0.45%.

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	\$22.46 Minimum Bill
Next 3,000 gallons	\$7.53 per 1,000 gallons
Next 5,000 gallons	\$6.15 per 1,000 gallons
Next 40,000 gallons	\$5.46 per 1,000 gallons
Over 50,000 gallons	\$4.78 per 1,000 gallons

1 Inch Meters:

First 5,000 gallons	\$45.05 Minimum Bill
Next 5,000 gallons	\$6.15 per 1,000 gallons
Next 40,000 gallons	\$5.46 per 1,000 gallons
Over 50,000 gallons	\$4.78 per 1,000 gallons

1 1/2 Inch Meters:

First 10,000 gallons	\$75.80 Minimum Bill
Next 40,000 gallons	\$5.46 per 1,000 gallons
Over 50,000 gallons	\$4.78 per 1,000 gallons

2 Inch Meters:

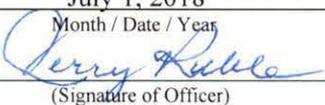
First 15,000 gallons	\$103.10 Minimum Bill
Next 35,000 gallons	\$5.46 per 1,000 gallons
Over 50,000 gallons	\$4.78 per 1,000 gallons

3 Inch Meters:

First 35,000 gallons	\$212.30 Minimum Bill
Next 15,000 gallons	\$5.46 per 1,000 gallons
Over 50,000 gallons	\$4.78 per 1,000 gallons

DATE OF ISSUE May 31, 2018
Month / Date / Year

DATE EFFECTIVE July 1, 2018
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 _____

EXHIBIT F

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, 2018. 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 May 31, 2018. The rates proposed therein shall become effective for service rendered on or after July 1, 2018.

Action herein ordered shall be duly recorded in the minutes of this public meeting of the North Shelby Water Company held on this 21st day of May, 2018.

Ordered this the 21st day of May, 2018.

Signed:



Jerry Ruble, President

Attest:



Tom McGinnis Secretary/Treasurer