

RECEIVED

JUN 05 2018

PUBLIC SERVICE  
COMMISSION  
(502) 348-8342



NORTH NELSON WATER DISTRICT P.O. BOX 25

COX'S CREEK, KENTUCKY 40013

June 1, 2018

Gwen Pinson  
Executive Director  
Public Service Commission  
P O Box 615  
Frankfort, KY 40602

RE: North Nelson Water District  
Purchased Water Adjustment

Dear Gwen Pinson:

Enclosed for filing are the original and ten (10) copies of the application for A Purchased Water Adjustment (PWA) of the North Nelson Water District.

Attached to the PWA Application is the Customer Notice which will be published in the local newspaper prior to the rendering of the first bill at the increased rate.

Should you need any additional information, please let me know. E-mail address is northnelsonwaterdistrict@yahoo.com.

Yours truly,  
North Nelson Water District

Colin S. Cissell, General Manager

Enclosures

**RECEIVED**

<b>PURCHASED WATER ADJUSTMENT FOR WATER DISTRICTS AND ASSOCIATIONS (807 KAR 5:068)</b>			JUN 05 2018 PUBLIC SERVICE COMMISSION
Name of Utility	North Nelson Water District		
Date	5/21/2018		
Address	P.O. Box 25		
City, State, Zip	Cox's Creek	KY 40013	
Telephone Number	502-348-8342		
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.			
<b>Supplier(s)</b>	<b>Base Rate</b>	<b>Changed Rate</b>	
Louisville Water Company	2.25	2.30	
Louisville Water Company	1080.00 monthly Service charge	1118.00 monthly Service Charge	
City of Bardstown	2.00	N/A	
1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit			
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	through	April 2018
	(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.			

<b>Supplier(s)</b>		<b>Gallons Purchased during 12 month period</b>
Louisville Water Company		211,803,000
City of Bardstown		90,006,000
<b>TOTAL PURCHASES</b>		301,809,000
4. Total sales for the 12 month period		267,738,000
5. Increased water cost		10,590.15 + \$456.00= \$11,046.15
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.		
6. Purchased water adjustment factor		0.041257 Which rounds up to \$0.05 per thousand
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.		
<p><b>Note:</b> 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, 2018
 		
Signature of Utility Officer		

## Monthly Water Rates

	<b>Current Rates</b>	<b>Proposed Rates</b>
<b>First</b> 2,000 gallons	<b>\$14.93 Minimum Bill</b>	<b>\$15.03 Minimum Bill</b>
<b>Next</b> 3,000 gallons	<b>4.29 per 1,000 gallons</b>	<b>4.34 per 1,000 gallons</b>
<b>Next</b> 5,000 gallons	<b>3.77 per 1,000 gallons</b>	<b>3.82 per 1,000 gallons</b>
<b>Over</b> 10,000 gallons	<b>3.42 per 1,000 gallons</b>	<b>3.47 per 1,000 gallons</b>
<i>Truck loading stations</i>	<i>7.10 per 1,000 gallons</i>	<i>7.15 per 1,000 gallons</i>



March 16, 2018

Mr. Cole Cissell  
Manager  
North Nelson Water District  
P.O. Box 25  
Cox's Creek, KY 40013

Dear Cole:

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

FOR Entire Service Area  
Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

Tenth Revised SHEET NO. 2

North Nelson Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

Ninth Revised SHEET NO. 2

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Rates and Charges

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**Monthly Water Rates**

**All Meter Sizes**

First 2,000 Gallons	\$ 15.03	Minimum Bill
Next 3,000 Gallons	\$ 4.34	Per 1,000 Gallons
Next 5,000 Gallons	\$ 3.82	Per 1,000 Gallons
Over 10,000 Gallons	\$ 3.47	Per 1,000 Gallons
Truck Loading Stations	\$ 7.15	Per 1,000 Gallons

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DATE OF ISSUE May 21, 2018  
Month / Date / Year

DATE EFFECTIVE July 1, 2018  
Month / Date / Year

ISSUED BY Colin S. Cissell  
(Signature of Officer)

TITLE General Manager

By Authority Of Order Of The Public Service Commission  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

**RESOLUTION NO. 2018-05-01**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS  
OF THE NORTH NELSON WATER DISTRICT ADJUSTING  
WATER RATES AND CHARGES TO OFFSET THE  
LOUISVILLE WATER COMPANY WHOLESALE RATE  
INCREASE**

**WHEREAS**, the Louisville Water Company (“LWC”) is one of North Nelson Water District’s (“District”) wholesale water providers;

**WHEREAS**, on March 29, 2018 the LWC filed an application with the Kentucky Public Service Commission (“PSC”) seeking to increase the wholesale water rate that LWC charges the District from \$2.25 to \$2.30 per 1,000 gallons and seeking to increase the monthly meter fees that LWC charges the District (See PSC Case TFS2018-00121);

**WHEREAS**, based upon the water purchases from LWC during the previous 12 months and the increased monthly meter fees at both master meter locations, the estimated annual increased cost to the District will be **\$11,046.15**;

**WHEREAS**, prudent financial management dictates that the District take immediate action to adjust its retail rates commensurate with LWC’s wholesale rate increase; and

**WHEREAS**, KRS 278.015 and 807 KAR 5:068 provide the legal mechanism for the District to increase its water rates commensurate with LWC's wholesale rate increase via a Purchased Water Adjustment ("PWA");

**NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF NORTH NELSON WATER DISTRICT AS FOLLOWS:**

**Section 1.** The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

**Section 2.** The PWA factor is **\$0.05** per 1,000 gallons;

**Section 3.** All tiers of water usage set forth in the District's existing tariff shall be increased by **\$0.05** per 1,000 gallons, subject to any minor adjustment that may be made by the PSC.

**Section 4.** The monthly water rates to be charged to and collected from the customers and users of the water system of the District shall be as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The rates and charges set forth in **Appendix A** are subject to any minor adjustment that may be made by the PSC. These monthly rates and charges shall be in effect for all water service rendered on and after July 1, 2018.

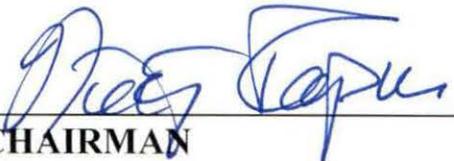
**Section 5.** The General Manager is hereby authorized and directed to execute and file the PWA Application, Tariff Sheet, and all other documents that may be required by the PSC.

**Section 6.** The General Manager, all appropriate District Staff, and the District's attorney are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to implement the PWA.

**Section 7.** This Resolution shall take effect upon its adoption.

**ADOPTED BY THE COMMISSION OF NORTH NELSON WATER DISTRICT** at a meeting held on May 21, 2018, signed by the Chairman, and attested by the Secretary.

ATTEST:

  
\_\_\_\_\_  
CHAIRMAN

  
\_\_\_\_\_  
SECRETARY

## NOTICE

Notice is hereby given that the Louisville Water Company ("LWC") plans to file with the Public Service Commission ("PSC") on or before March 29, 2018 to increase its rates for wholesale water service to North Nelson Water District effective July 1, 2018. The proposed rates are as follows:

	<u>Current Rate</u>	<u>New Rate</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Monthly Service Charge (Per Meter)</b>				
4" Meter	\$324.00	\$335.40	\$11.40	3.4%
6" Meter	\$756.00	\$782.60	\$26.60	3.4%
<b>Commodity Rate (per 1,000 gallons)</b>				
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. 3<sup>rd</sup> 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.

## CUSTOMER NOTICE

Due to a rate increase from the Louisville Water Company, notice is hereby given that the North Nelson Water District has filed an application for a Purchased Water Adjustment with the Kentucky Public Service Commission for adjusting its water rates. Customer rates will increase by \$0.05 per 1,000 gallons used. The proposed change will be effective for service rendered on and after July 1, 2018.

### Monthly Water Rates

	<b>Current Rates</b>	<b>Proposed Rates</b>	<b>\$ Increase</b>	<b>% Increase</b>
First 2,000 gallons	\$14.93 Minimum Bill	\$15.03 Minimum Bill	\$0.10	0.67%
Next 3,000 gallons	4.29 per 1,000 gallons	4.34 per 1,000 gallons	\$0.05	1.17%
Next 5,000 gallons	3.77 per 1,000 gallons	3.82 per 1,000 gallons	\$0.05	1.33%
Over 10,000 gallons	3.42 per 1,000 gallons	3.47 per 1,000 gallons	\$0.05	1.46%
Truck loading stations	7.10 per 1,000 gallons	7.15 per 1,000 gallons	\$0.05	0.70%

The monthly bill for a residential customer using an average of 5,000 gallons per month will increase from \$27.80 to \$28.05. This is an increase of \$0.25 or 0.90%.

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

North Nelson Water District has available for inspection at its office the application which it submitted to the Public Service Commission. North Nelson Water District's office is located at 5555 Louisville Road, Cox's Creek, KY 40013. You may contact the office at 502-348-8342.

A 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>. You may contact the Public Service Commission at 502-564-3940.