

North Shelby Water Company

PO Box 97

Bagdad, KY 40003

Toll Free 1-800-870-4148

(502) 747-8942

Fax: (502) 747-5048

Jerry Ruble, President

Lloyd Eades, Vice President

Tom Miginnis, Secretary/Treasurer

RECEIVED

DEC 18 2018

**PUBLIC SERVICE
COMMISSION**

Kevin Armstrong, Director

James Anglin, Director

Herb McCoun, Director

Bryan Franklin, Director

Jim Smith, Director

December 18, 2018

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 \$0.11 per 1000 gallons. This increase will be effective on December 19, 2018. The result of this increase is \$11,885.73 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 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

PURCHASED WATER ADJUSTMENT FOR WATER DISTRICTS AND ASSOCIATIONS (807 KAR 5:068)			
Name of Utility	North Shelby Water Company		
Date	12/18/2017		
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: \$2.11	Rate per 1000 gallons: \$2.22	
Louisville Water Company	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	No Change	
Frankfort Electric & Water Plant Board	Rate per 1000 gallons: \$2.55 KRA Withdraw Fee per 1000 gallons: \$0.29	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	December 2017	through	November 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.

Supplier(s)	Gallons Purchased during 12 month period
Shelbyville Municipal Water & Sewer Commission	108,052,100
Louisville Water Company	258,072,000
Frankfort Electric & Water Plant Board	75,185,000
West Shelby Water District	0
TOTAL PURCHASES	441,309,100

4. Total sales for the 12 month period 375,945,900

5. Increased water cost \$11,885.73

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.

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 January 1, 2019



Signature of Utility Officer

President

Title

Increased Water Cost Calculation:

Shelbyville Municipal Water & Sewer Commission

$$(108,052.10 \times \$2.22) = \$239,875.66$$

$$(108,052.10 \times \$2.11) = \$227,989.93$$

$$\text{Increased Water Cost} = \$11,885.73$$

Purchased Water Adjustment Factor Calculation:

$$\text{Increased Cost of Water} = \$11,885.73$$

$$\text{Total Gallons Sold} = 375,945,900$$

$$\begin{aligned} \$11,885.73 / 375,945.90 &= \$0.0316 \text{ per 1000 Gallons} \\ &= \$0.04 \text{ per 1000 Gallons} \end{aligned}$$

Shelbyville Municipal Water & Sewer Commission

P.O. Box 608

1059 Washington St.

Shelbyville, Ky. 40066

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

October 24, 2018

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 met on Monday October 15, 2018, and recommended a Rate Increase of approximately 5%, for water and sewer utilities to the Shelbyville City Council.

The Shelbyville City Council will hold its first reading on Thursday, November 15, 2018, and its second reading on Thursday, December 6, 2018.

The rate increase for these Wholesale Purchasers will be effective for water used on and after December 19, 2018, for billing dated February 1, 2019


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

Your proposed rate increase is from \$2.11 to \$2.22/1,000 gal, or an increase of approximately 5% (5.21%)

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

RATEINCREASELETTERSTOWTRDISTRANDPSC2018

NOTICE

The Shelbyville Municipal Water & Sewer Commission (SMW&SC) is providing notice that on October 15, 2018, a proposed increase in water rates was approved, including wholesale rates, and recommended these changes to the City Council. On October 30, 2018, the SMWSC filed with the Public Service Commission the wholesale rates it charges North Shelby Water Company and U.S.60 Water District of Shelby and Franklin Counties. These rates are effective for water service rendered on and after December 19, 2018. The proposed rates are as follows:

	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>	<u>\$ Change</u>	<u>% Change</u>
North Shelby Water Company	\$2.11 per 1,000 gallons	\$2.22 per 1,000 gallons.	\$0.11 per 1,000 gallons	5.21 % increase
U.S. 60 Water District of Shelby and Franklin Counties, Kentucky	\$2.11 per 1,000 gallons	\$2.22 per 1,000 gallons	\$0.11 per 1,000 gallons	5.21% increase

The Shelbyville City Council shall have the 1st hearing on November 15, 2018 and 2nd hearing on Dec. 6, 2018.

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.

RATEINCREASENOTICEFOR2018NORTHSHELBYANDUS60Eaaaa

STATEMENT OF WATER PURCHASED NORTH SHELBY WATER COMPANY

SHELBYVILLE MUNICIPAL WATER & SEWER COMMISSION

Month	Usage/Gallons	Total Cost
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	7,098,600	14,978.05
May	8,711,700	18,381.69
June	8,819,200	18,608.51
July	10,575,600	22,314.52
August	10,491,900	22,137.91
September	10,685,700	22,546.82
October	10,121,800	21,357.00
November 2018	8,574,800	18,092.82
TOTAL	108,052,100	\$226,816.27

LOUISVILLE WATER COMPANY

Month	Usage/Gallons	Total Cost
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	16,856,000	38,864.27
May	17,431,000	40,231.69
June	22,903,000	52,611.17
July	34,261,000	78,503.95
August	13,889,000	32,407.82
September	29,021,000	67,970.45
October	23,221,000	54,753.58
November 2018	19,519,000	46,150.76
TOTAL	258,072,000	\$597,867.39

FRANKFORT ELECTRIC & WATER PLANT BOARD

Month	Usage/Gallons	Total Cost
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	5,797,000	15,941.75
May	4,461,000	12,267.75
June	6,045,000	16,623.75
July	7,090,000	19,497.50
August	6,841,000	18,812.75
September	6,884,000	19,059.18
October	5,677,000	16,122.68
November 2018	6,884,000	19,550.56
TOTAL	75,185,000	\$207,392.85

WEST SHELBY WATER DISTRICT

Month	Usage/Gallons	Total Cost
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	0	0.00
October	0	0.00
November 2018	0	0.00
TOTAL	0	\$0.00

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

Month	Residential	Commercial	Other	Total Gallons Sold
December 2017	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	21,752,500	159,100	3,047,700	24,959,300
May	22,405,100	262,100	3,113,000	25,780,200
June	29,278,600	618,000	3,560,500	33,457,100
July	35,046,200	1,022,800	3,886,600	39,955,600
August	33,760,900	812,900	3,451,600	38,025,400
September	32,498,500	509,000	5,256,700	38,264,200
October	30,239,400	426,700	3,876,700	34,542,800
November 2018	23,020,800	372,900	4,021,600	27,415,300
TOTAL	327,461,600	5,262,200	43,222,100	375,945,900

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 Shelbyville Municipal Water & Sewer Commission, the North Shelby Water Company will increase its rates for services effective January 1, 2019. An application requesting the proposed rates was filed with the Kentucky Public Service Commission on December 18, 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	\$22.50 Minimum Bill	\$22.58 Minimum Bill	\$0.08	0.36%
Next 3,000 gallons	\$7.55 per 1,000 gallons	\$7.59 per 1,000 gallons	\$0.04	0.53%
Next 5,000 gallons	\$6.17 per 1,000 gallons	\$6.21 per 1,000 gallons	\$0.04	0.65%
Next 40,000 gallons	\$5.48 per 1,000 gallons	\$5.52 per 1,000 gallons	\$0.04	0.73%
Over 50,000 gallons	\$4.80 per 1,000 gallons	\$4.84 per 1,000 gallons	\$0.04	0.83%
<u>1" Meters:</u>				
First 5,000 gallons	\$45.15 Minimum Bill	\$45.35 Minimum Bill	\$0.20	0.44%
Next 5,000 gallons	\$6.17 per 1,000 gallons	\$6.21 per 1,000 gallons	\$0.04	0.65%
Next 40,000 gallons	\$5.48 per 1,000 gallons	\$5.52 per 1,000 gallons	\$0.04	0.73%
Over 50,000 gallons	\$4.80 per 1,000 gallons	\$4.84 per 1,000 gallons	\$0.04	0.83%
<u>1 1/2" Meters:</u>				
First 10,000 gallons	\$76.00 Minimum Bill	\$76.40 Minimum Bill	\$0.40	0.53%
Next 40,000 gallons	\$5.48 per 1,000 gallons	\$5.52 per 1,000 gallons	\$0.04	0.73%
Over 50,000 gallons	\$4.80 per 1,000 gallons	\$4.84 per 1,000 gallons	\$0.04	0.83%
<u>2" Meters:</u>				
First 15,000 gallons	\$103.40 Minimum Bill	\$104.00 Minimum Bill	\$0.60	0.58%
Next 35,000 gallons	\$5.48 per 1,000 gallons	\$5.52 per 1,000 gallons	\$0.04	0.73%
Over 50,000 gallons	\$4.80 per 1,000 gallons	\$4.84 per 1,000 gallons	\$0.04	0.83%
<u>3" Meters:</u>				
First 35,000 gallons	\$213.00 Minimum Bill	\$214.40 Minimum Bill	\$1.40	0.66%
Next 15,000 gallons	\$5.48 per 1,000 gallons	\$5.52 per 1,000 gallons	\$0.04	0.73%
Over 50,000 gallons	\$4.80 per 1,000 gallons	\$4.84 per 1,000 gallons	\$0.04	0.83%

As noted above, based on the increased cost of water from the Shelbyville Municipal Water & Sewer Commission 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 \$45.15 to \$45.35. This is an increase of \$0.20 or 0.44%.

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. 2

1ST REVISED SHEET NO. 1

North Shelby Water Company
(Name of Utility)

CANCELLING P.S.C. KY. NO. 2

ORIGINAL SHEET NO. 1

RATES AND CHARGES

MONTHLY RATES:

5/8 x 3/4 Inch Meters:

First	2,000 gallons	\$22.58 Minimum Bill
Next	3,000 gallons	\$7.59 per 1,000 gallons
Next	5,000 gallons	\$6.21 per 1,000 gallons
Next	40,000 gallons	\$5.52 per 1,000 gallons
Over	50,000 gallons	\$4.84 per 1,000 gallons

1 Inch Meters:

First	5,000 gallons	\$45.35 Minimum Bill
Next	5,000 gallons	\$6.21 per 1,000 gallons
Next	40,000 gallons	\$5.52 per 1,000 gallons
Over	50,000 gallons	\$4.84 per 1,000 gallons

1 1/2 Inch Meters:

First	10,000 gallons	\$76.40 Minimum Bill
Next	40,000 gallons	\$5.52 per 1,000 gallons
Over	50,000 gallons	\$4.84 per 1,000 gallons

2 Inch Meters:

First	15,000 gallons	\$104.00 Minimum Bill
Next	35,000 gallons	\$5.52 per 1,000 gallons
Over	50,000 gallons	\$4.84 per 1,000 gallons

3 Inch Meters:

First	35,000 gallons	\$214.40 Minimum Bill
Next	15,000 gallons	\$5.52 per 1,000 gallons
Over	50,000 gallons	\$4.84 per 1,000 gallons

(I)



DATE OF ISSUE December 18, 2018
Month / Date / Year

DATE EFFECTIVE January 1, 2019
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 Shelbyville Municipal Water & Sewer Commission effective on December 19, 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 December 18, 2018. The rates proposed therein shall become effective for service rendered on or after January 1, 2019.

Action herein ordered shall be duly recorded in the minutes of this public meeting of the North Shelby Water Company held on this the 17th day of December, 2018.

Ordered this 17th day of December, 2018.

Signed:



Jerry Ruble, President

Attest:



Tom McGinnis Secretary/Treasurer