

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF        )  
NORTH SHELBY WATER COMPANY            )       CASE NO. 98-626

O R D E R

On December 1, 1998, North Shelby Water Company ( North Shelby ) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068. North Shelby s application was rejected pursuant to 807 KAR 5:068, Section 3, for failure to include total gallons of water purchased from each supplier during a 12-month period ending within 90 days of the effective date of the rate adjustment; and 807 KAR 5:068, Section 3(1), for failure to include information sufficient to determine the accurateness of the calculations of the purchased water adjustment.

On February 18, 1999, North Shelby submitted an amendment to its original application along with the other necessary information and its case was officially filed.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. North Shelby purchases water from four suppliers: Shelbyville Municipal Water ( Shelbyville ), Frankfort Electric and Water Plant Board ( Frankfort ), Louisville Water Company ( Louisville ), and West Shelby Water Company ( West Shelby ).

2. Shelbyville increased the wholesale water rate charged to North Shelby from \$1.15 per 1,000 gallons to \$1.37 per 1,000 gallons effective June 1, 1998. Frankfort increased the wholesale water rate charged to North Shelby from \$1.25 per 1,000 gallons to \$1.313 per 1,000 gallons effective January 10, 1999. The other two suppliers, Louisville and West Shelby, did not increase their wholesale rates.

3. During the 12 months ending November 25, 1998, North Shelby purchased 380,106,106 total gallons of water and sold 312,005,800 gallons.

4. The increase in the cost of purchased water is \$30,957.85, resulting in a purchased water adjustment of \$0.10 per 1,000 gallons of water. Based on a monthly usage of 5,000 gallons, the average bill of a North Shelby customer would increase \$0.50 from \$23.99 to \$24.49 or 2.1 percent.

5. The calculations provided by North Shelby in its amended application are correct.

6. The purchased water adjustment of \$0.10 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.10 per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after the date of this Order.

2. The revised tariff submitted by North Shelby is hereby rejected as filed because minimum bills are listed as per 1,000 gallons.

3. Within 20 days from the effective date of this Order, North Shelby shall file a copy of its revised tariff.

4. Within 20 days from the effective date of this Order, North Shelby shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 12<sup>th</sup> day of March, 1999.

By the Commission

ATTEST:

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Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 98-626 DATED MARCH 12, 1999

The following rates and charges are prescribed for the customers in the area served by North Shelby Water Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

#### Monthly Water Rates

##### 5/8 x 3/4 Inch Meter

First	2,000 gallons	\$11.14	Minimum bill
Next	3,000 gallons	4.45	per 1,000 gallons
Next	5,000 gallons	3.33	per 1,000 gallons
Next	40,000 gallons	2.77	per 1,000 gallons
Over	50,000 gallons	2.21	per 1,000 gallons

##### 1 Inch Meter

First	5,000 gallons	\$24.49	Minimum bill
Next	5,000 gallons	3.33	per 1,000 gallons
Next	40,000 gallons	2.77	per 1,000 gallons
Over	50,000 gallons	2.21	per 1,000 gallons

##### 1-1/2 Inch Meter

First	10,000 gallons	\$41.14	Minimum bill
Next	40,000 gallons	2.77	per 1,000 gallons
Over	50,000 gallons	2.21	per 1,000 gallons

##### 2 Inch Meter

First	15,000 gallons	\$54.99	Minimum bill
Next	35,000 gallons	2.77	per 1,000 gallons
Over	50,000 gallons	2.21	per 1,000 gallons

##### 3 Inch Meter

First	35,000 gallons	\$110.39	Minimum bill
Next	15,000 gallons	2.77	per 1,000 gallons
Over	50,000 gallons	2.21	per 1,000 gallons