



May 18, 2020

Kent A. Chandler, Executive Director
KY Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

RE: Purchased Water Adjustment

Dear Mr. Chandler:

Enclosed is our Purchased Water Adjustment application.

Please contact me if you have any questions or need additional information.

Sincerely,

Colin Cissell
General Manager

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

Name of Utility	North Nelson Water District	
Date	May 18 th , 2020	
Address	P.O. Box 25	
City, State, Zip	Cox's Creek, KY	40013
Telephone Number	502-348-8342	
Email Address	northnelsonwaterdistrict@yahoo.com	

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	\$2.36/1,000 Gallons \$1161.60/month	\$2.41/1,000 Gallons \$1202.26/month
City of Bardstown	\$2.45/1,000 Gallons	\$2.49/1,000 Gallons

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 2019	through	April 2020
	(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
Louisville Water Company	200,703,000
City of Bardstown	86,544,000
TOTAL PURCHASES	287,247,000
4. Total gallons sold for the 12 month period	265,751,200
5. Increased water cost	\$13,984.83
<p>The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation is attached as Exhibit A</p>	
6. Purchased water adjustment factor	.0526 Round to .06
<p>The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.</p> <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.</p>	
7. A schedule listing the current and proposed rates is attached as Exhibit	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit	
9. Proposed effective date	July 1, 2020
	
Signature of Utility Officer	
General Manager	
Title	

**North Nelson Water District
Find Report**

May 1, 2019 through April 28, 2020

Date	Name	Memo	Split	Amount
04/15/2020	Louisville Water Co	9,769,000	61000 · Purchased Water	-23,883.55
04/15/2020	Louisville Water Co	5,992,000	61000 · Purchased Water	-14,496.28
03/16/2020	Louisville Water Co	8,723,000	61000 · Purchased Water	-21,361.53
03/16/2020	Louisville Water Co	5,714,000	61000 · Purchased Water	-13,817.29
02/12/2020	Louisville Water Co	8,831,000	61000 · Purchased Water	-21,643.14
02/12/2020	Louisville Water Co	6,258,000	61000 · Purchased Water	-15,124.04
01/14/2020	Louisville Water Co	8,579,000	61000 · Purchased Water	-20,994.96
01/14/2020	Louisville Water Co	5,439,000	61000 · Purchased Water	-13,145.38
12/17/2019	Louisville Water Co	9,859,000	61000 · Purchased Water	-24,149.42
12/16/2019	Louisville Water Co	6,157,000	61000 · Purchased Water	-14,908.60
11/13/2019	Louisville Water Co	6,776,000	61000 · Purchased Water	-16,335.07
11/13/2019	Louisville Water Co	9,312,000	61000 · Purchased Water	-22,778.30
10/14/2019	Louisville Water Co	8,069,000	61000 · Purchased Water	-19,375.09
10/14/2019	Louisville Water Co	12,762,000	61000 · Purchased Water	-30,893.57
09/17/2019	Louisville Water Co	9,975,000	61000 · Purchased Water	-23,907.62
09/17/2019	Louisville Water Co	11,234,000	61000 · Purchased Water	-27,367.69
08/15/2019	Louisville Water Co	11,451,000	61000 · Purchased Water	-27,799.61
08/15/2019	Louisville Water Co	8,034,000	61000 · Purchased Water	-19,292.49
07/15/2019	Louisville Water Co	3,351,000	61000 · Purchased Water	-8,148.95
07/15/2019	Louisville Water Co	2,320,000	61000 · Purchased Water	-5,578.31
07/02/2019	Louisville Water Co	6,827,000	61000 · Purchased Water	-16,242.42
07/02/2019	Louisville Water Co	4,741,000	61000 · Purchased Water	-11,135.86
06/24/2019	Louisville Water Co	11,252,000	61000 · Purchased Water	-26,677.21
06/14/2019	Louisville Water Co	7,584,000	61000 · Purchased Water	-17,796.06
05/20/2019	Louisville Water Co	4,205,000	61000 · Purchased Water	-10,002.31
05/20/2019	Louisville Water Co	7,489,000	61000 · Purchased Water	-17,842.20
				-484,696.95
May 1, '19 - Apr 28, 20				200,703,000

May 1, '19 - Apr 28, 20

BILLING SUMMARY REPORT
SERVICE BY MASTER METER

MASTER METER BILLS CHARGES USAGE

SERVICE: WATER

2	7532	216412.99	384049
3	6645	174526.95	297081
4	12167	316125.24	527533
5	11083	309509.30	543215
6	20423	565076.63	905634

SERVICE TOTALS: 57850 1581651.11 2657512

===== =====
GRAND TOTALS: 57850 1581651.11
===== =====

For Reporting Period: 05/2019 TO 04/2020

* End of Report: North Nelson Water District *



Exhibit A

Rate Increase July 1, 2020

Cost Increase Calculations

Louisville Water Company

Current Rate

\$2.36/Thousand Gallons x 200,703,000 Gallons = \$473,659.08

\$1,161.60/month x 12 months = \$13,939.20

Total Current Rate \$487,598.28

City of Bardstown

Current Rate

\$2.45/Thousand Gallons x 86,544,000 Gallons = \$212,032.80

Total Current Rate \$212,032.80



Louisville Water Company

New Rate

\$2.41/Thousand Gallons x 200,703,000 Gallons = \$483,694.23

\$1,202.26/month x 12 months = \$14,427.12

Total New Rate \$498,121.35

City of Bardstown

New Rate

\$2.49/Thousand Gallons x 86,544,000 Gallons = \$215,494.56

Total New Rate \$215,494.56



Total Water Purchased at New Rate

Louisville Water Company	\$498,121.35
<u>City of Bardstown</u>	<u>\$215,494.56</u>
Total	\$713,615.91

Total Water Purchased Current Rate

Louisville Water Company	\$487,598.28
<u>City of Bardstown</u>	<u>\$212,032.80</u>
Total	\$699,631.08

Cost Difference Between New Rate vs. Current Rate

New Rate	\$713,615.91
<u>Current Rate</u>	<u>\$699,631.08</u>
Total	\$13,984.83



Purchased Water Adjustment Factor

Increased Cost of Water / Total Gallons Sold = PWA Factor

\$13,984.83 / 265,751,200 = 0.0526 Round to 0.06



March 11, 2020

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 last 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, 2020 will be \$2.00 per thousand gallons, plus an elevated service area surcharge of \$0.41 per thousand gallons, for a total wholesale rate of \$2.41 per thousand gallons. This represents a 2.1% increase of our current rate.

We are planning to file the necessary documentation for this proposed new rate with the Public Service Commission (PSC) near 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 5, 2020.

Thank you again for attending our wholesale customer meeting. North Nelson is a valued member of 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 30, 2020 to increase its rates for wholesale water service to North Nelson Water District effective July 1, 2020. 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)				
4" Meter	\$348.48	\$360.68	\$12.20	3.5%
6" Meter	\$813.12	\$841.58	\$28.46	3.5%
Commodity Rate (per 1,000 gallons)				
Volume Charge				
(per 1,000 gallons)	\$1.97	\$2.00	\$0.03	1.5%
Elevated Service Area Surcharge				
(per 1,000 gallons)	<u>0.39</u>	<u>0.41</u>	<u>0.02</u>	<u>5.1%</u>
Total Commodity Rate				
(per 1,000 gallons)	\$2.36	\$2.41	\$0.05	\$2.1%

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 8:00 am to 4:30 pm 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.



March 30, 2020

Mr. Kent Chandler
Executive Director
Ky Public Service Commission
P.O. Box 615
211 Sower Blvd
Frankfort, KY 40602-0615

Re: Louisville Water Company's amended tariff respecting wholesale utility service provided to
North Nelson Water District

Dear Mr. Chandler:

Please find attached information regarding the proposed increase in wholesale rates for water sold by Louisville Water Company (LWC) to the North Nelson Water District (North Nelson). North Nelson is currently a wholesale customer of Louisville Water Company pursuant to an Agreement dated January 15, 1996 between Kentucky Turnpike Water District and North Nelson. The agreement was filed with the Commission on May 13, 1998. A copy is attached as Exhibit 2.

Pursuant to the Public Service Commission Order entered September 6, 2000, in Case No. 2000-306 (In the Matter of the Application of the Louisville Water Company for Approval of the Merger and Acquisition of Ownership of Kentucky Turnpike Water District), the Commission approved the transfer of the assets of KTWD to LWC pursuant to the terms of a Merger and Acquisition Agreement between LWC and KTWD dated August 14, 2000. Under the terms of the merger, LWC acquired and assumed the obligations of the agreement between KTWD and North Nelson, and LWC continued to furnish water to North Nelson at the rates set forth in the KTWD agreement.

LWC and North Nelson entered into a Water Purchase Agreement dated February 25, 2004. This agreement called for the rates for water sold to North Nelson to be reduced to the wholesale rate established by the Board of Water Works Rules and Regulations of LWC which are the rates established for LWC's other wholesale customers. Because the agreement provided for a rate decrease, both parties agreed that the agreement would be effective immediately upon acceptance by the PSC (April 11, 2004). Also enclosed is a Water Purchase Agreement that details a second metering point for North Nelson.

In addition to discussions with individual wholesale customers, LWC had a general meeting with all the wholesale customers March 5, 2020. We are following the same wholesale rate increase process as in previous years. As a result, please find attached the following information and copies of the following documents:

Exhibit 1 - A copy of the thirteenth revised tariff sheets reflecting the proposed increased rates which are to be effective July 1, 2020.

Support documents in the following order –

Exhibit 2 - Agreement between Kentucky Turnpike Water District and North Nelson previously referred to above. The agreement was filed with the Commission on May 13, 1998. And, the current rates for wholesale sales of water by LWC to North Nelson are governed by the Water Purchase Agreement dated February 25, 2004 (Paragraph 4). The Water Purchase Agreement that details a second metering location, filed with the Commission November 7, 2009.

Exhibit 3 - LWC filed its original tariff governing the sale of water on a wholesale basis to North Nelson March 12, 2004. Attached are the last three wholesale rate increases, for historical reference.

-The tenth revised tariff sheets reflecting the proposed increased rates which were effective July 1, 2017. LWC filing for North Nelson tenth revised tariff was TFS2017-00160.

-The eleventh revised tariff sheets reflecting the proposed increased rates which were effective July 1, 2018. LWC filing for North Nelson eleventh revised tariff was TFS2018-00121.

-The twelfth revised tariff sheets reflecting the proposed increased rates which were effective July 1, 2019. LWC filing for North Nelson twelfth revised tariff was TFS2019-00192.

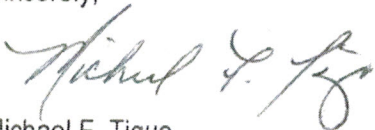
Exhibit 4 - The proposed increased rates are supported by LWC's 2019 Cost of Service Study for 2020. A summary of the study with the new rate schedule is attached.

Finally, the notice provided to North Nelson relating to the proposed increase is also attached. It is in the revised format requested by the PSC.

LWC respectfully requests that the Commission accept the amendments to its tariff governing sales to North Nelson so that the proposed rate changes can be effective July 1, 2020.

If you have any questions, please call me at 502.569.0808. Thank you for your attention to our request.

Sincerely,



Michael F. Tigue
Vice President, Compliance, General Counsel
and Corporate Secretary

Enclosures

CC: North Nelson Water District
Patti Kaelin – LWC

NOTICE:

The City of Bardstown hereby provides notice that it filed with the Public Service Commission on November 13, 2019 to increase its rates to the North Nelson and Larue County No.1 Water Districts. In addition the proposed rate schedule will also apply to the cities of Bloomfield and New Haven.

The Current Rate is \$2.00 per thousand gallons and was last raised in 2013. New rates are proposed to be implemented in five incremental steps, the first become effective for water service rendered on and after January 1, 2020 with a new rate per 1,000 gallons to become effective each July 1st as forth below:

<u>Effective Date</u>	<u>New Rate</u>	<u>Previous Rate</u>	<u>\$ Difference</u>	<u>% Difference</u>
January 1 st 2020	\$2.45	\$2.00	\$0.45	22.50%
July 1 st 2020	\$2.49	\$2.45	\$0.04	1.63%
July 1 st 2021	\$2.56	\$2.49	\$0.07	2.81%
July 1 st 2022	\$2.64	\$2.56	\$0.08	3.13%
July 1 st 2023	\$2.72	\$2.64	\$0.08	3.03%

Water flowing through the meter(s) before the effective date will be charged at the previous rate while water flowing through the meter(s) on and after the new effective date will be charged at the new rate(s).

This filing may be examined at the utility's office inside Bardstown City Hall located at 220 North Fifth Street, Bardstown, Kentucky; Monday – Friday from 8:00 am - 4:30 pm.

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 Public Service Commission's 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, Kentucky 40602; or through its website at <http://psc.ky.gov>.

While the proposed rates are the rates proposed by the City of Bardstown Water, the Public Service Commission may order rates that differ from these 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, Kentucky 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.

AREA Bardstown, Kentucky

PSC KY NO. 1

Second Revised SHEET NO. 1

City of Bardstown, Bardstown Water Department
(NAME OF UTILITY)

CANCELLING PSC KY NO. 1

First Revised SHEET NO. 1

RATES AND CHARGES

MONTHLY WHOLESALE WATER RATE:

North Nelson Water District
Larue County Water District #1

All usage	<u>Effective Date</u>	<u>Rate Per 1,000 Gallons</u>	(T)
	January 1 st 2020	\$2.45	(T)(I)
	July 1 st 2020	\$2.49	(T)(I)
	July 1 st 2021	\$2.56	(T)(I)
	July 1 st 2022	\$2.64	(T)(I)
	July 1 st 2023	\$2.72	(T)(I)

(D)

DATE OF ISSUE 11-13-19
MONTH / DATE / YEAR

DATE EFFECTIVE January, 1, 2020
MONTH / DATE / YEAR

ISSUED BY [Signature]
SIGNATURE OF OFFICER

TITLE Mayor

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. N/A DATED N/A

KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director <i>Gwen R. Pinson</i>
EFFECTIVE 1/1/2020 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR Entire Service Area
Community, Town or City

P.S.C. KY. NO. _____

Thirteenth Revised SHEET NO. 2

North Nelson Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

Twelfth Revised SHEET NO. 2

Rates and Charges

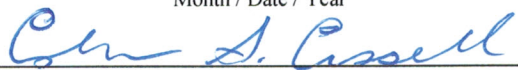
Monthly Water Rates

All Meter Sizes

First 2,000 Gallons	\$ 15.57	Minimum Bill	(I)
Next 3,000 Gallons	\$ 4.61	Per 1,000 Gallons	(I)
Next 5,000 Gallons	\$ 4.09	Per 1,000 Gallons	(I)
Over 10,000 Gallons	\$ 3.74	Per 1,000 Gallons	(I)
Truck Loading Stations	\$ 7.42	Per 1,000 Gallons	(I)

DATE OF ISSUE May 18, 2020
Month / Date / Year

DATE EFFECTIVE July 1, 2020
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE General Manager

By Authority Of Order Of The Public Service Commission

IN CASE NO. _____ DATED _____

RESOLUTION NO. 2020-05-01

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

WHEREAS, the Louisville Water Company (“LWC”) and the City of Bardstown (“Bardstown”) are North Nelson Water District’s (“District”) wholesale water providers;

WHEREAS, on March 30, 2020 LWC filed an application with the Kentucky Public Service Commission (“PSC”) seeking to increase the wholesale water rate that LWC charges the District from \$2.36 to \$2.41 per 1,000 gallons and seeking to increase the monthly meter fees that LWC charges the District (See PSC Case TFS2020-00148), effective July 1, 2020;

WHEREAS, on November 15, 2019 Bardstown filed an application with the PSC seeking to increase the wholesale water rate that Bardstown charges the District from \$2.45 to \$2.49 per 1,000 gallons (See PSC Case TFS2019-00625), effective July 1, 2020;

WHEREAS, based upon the water purchases from LWC and Bardstown during the previous 12 months and the increased monthly meter fees at both LWC

master meter locations, the estimated annual increased cost to the District will be **\$13,984.83**;

WHEREAS, prudent financial management dictates that the District take immediate action to adjust its retail rates commensurate with LWC's and Bardstown's wholesale rate increases; 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 and Bardstown's wholesale rate increases 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 **\$0.06** per 1,000 gallons;

Section 3. All tiers of water usage set forth in the District's existing tariff shall be increased by **\$0.06** 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, 2019.

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.

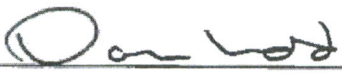
Section 7. This Resolution shall take effect upon its adoption.

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ADOPTED BY THE COMMISSION OF NORTH NELSON WATER DISTRICT at a meeting held on May 18, 2020, signed by the Chairman, and attested by the Secretary.

ATTEST:



CHAIRMAN


SECRETARY

CERTIFICATION

I, Secretary of the North Nelson Water District (the "District"), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Commission of the District at a meeting properly held on May 18, 2020, signed by the Chairman of the Commission, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 18th day of May, 2020.


SECRETARY

CUSTOMER NOTICE

Due to a rate increase from the City of Bardstown and 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 \$0.06 per 1,000 gallons used. The proposed change will be effective for service rendered on and after July 1, 2020.

Monthly Water Rates

	Current Rates	Proposed Rates	\$ Increase	% Increase
First	2,000 gallons	\$15.45 Minimum Bill	\$0.12	0.78%
Next	3,000 gallons	4.55 per 1,000 gallons	\$0.06	1.32%
Next	5,000 gallons	4.03 per 1,000 gallons	\$0.06	1.49%
Over	10,000 gallons	3.68 per 1,000 gallons	\$0.06	1.63%
Truck loading stations		7.36 per 1,000 gallons	\$0.06	0.82%

The monthly bill for a residential customer using an average of 5,000 gallons per month will increase from \$29.10 to \$29.40. This is an increase of \$0.30 or 1.03%.

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.