

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

Kevin Armstrong, Director

James Anglin, Director

Herb McCoun, Director

Bryan Franklin, Director

Jim Smith, Director

June 16, 2020

Mr. Kent Chandler

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 Mr. Chandler:

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 \$48.80 per month and wholesale rates by \$0.05 per 1000 gallons. These increases will take effect July 1, 2020. The result of these increases is \$16,060.25 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

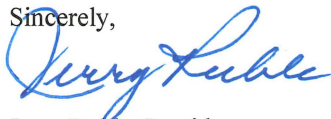
Exhibit F – Revised Tariff Sheet

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

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

Name of Utility	North Shelby Water Company	
Date	6/16/2019	
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: \$1,393.92 (Four (4) – 4" meters @ \$348.48 per meter) Rate per 1000 gallons: \$1.97 Elevated Area Surcharge per 1000 gallons: \$0.39	Monthly Meter Service Charge: \$1,442.72 (Four (4) – 4" meters @ \$360.68 per meter) Rate per 1000 gallons: \$2.00 Elevated Area Surcharge per 1000 gallons: \$0.41
Shelbyville Municipal Water & Sewer Commission	Rate per 1000 gallons: \$2.22	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	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	309,493,000
Shelbyville Municipal Water & Sewer Commission	146,368,800
Frankfort Electric & Water Plant Board	66,009,000
West Shelby Water District	0
TOTAL PURCHASES	521,870,800

4. Total sales for the 12 month period	420,307,870
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5. Increased water cost	\$16,060.25
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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
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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, 2020
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Signature of Utility Officer

President

Title

Increased Water Cost Calculation:

Louisville Water Company

$$(12 \times \$1,442.72) + (309,493 \times \$2.41) = \$763,190.77$$

$$(12 \times \$1,393.92) + (309,493 \times \$2.36) = \$747,130.52$$

$$\text{Increased Water Cost} = \$16,060.25$$

Purchased Water Adjustment Factor Calculation:

$$\text{Increased Cost of Water} = \$16,060.25$$

$$\text{Total Gallons Sold} = 420,307,870$$

$$\begin{aligned} \$16,060.25 / 420,307.9 &= \$0.038 \text{ per 1000 Gallons} \\ &= \$0.04 \text{ per 1000 Gallons} \end{aligned}$$

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 Shelby Water Company 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%
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.

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

LOUISVILLE WATER COMPANY

Month	Usage/Gallons	Total Cost
May 2019	18,344,000	43,470.32
June	22,678,000	53,614.96
July	21,115,000	49,843.62
August	27,824,000	66,618.74
September	33,705,000	80,918.64
October	32,204,000	77,330.44
November	35,657,000	85,662.84
December	23,574,000	56,917.80
January	24,622,000	59,482.76
February	26,421,000	63,911.68
March	21,519,000	52,068.00
April 2020	21,830,000	52,847.80
TOTAL	309,493,000	\$742,687.60

SHELBYVILLE MUNICIPAL WATER & SEWER COMMISSION

Month	Usage/Gallons	Total Cost
May 2019	9,438,700	20,953.91
June	11,027,000	24,479.94
July	9,875,700	21,924.06
August	17,087,500	37,934.24
September	16,623,800	36,904.83
October	13,450,700	29,860.55
November	12,998,300	28,856.22
December	11,947,200	26,522.78
January	11,591,400	25,732.91
February	11,223,800	24,916.83
March	10,881,900	24,157.82
April 2020	10,222,800	22,694.62
TOTAL	146,368,800	\$324,938.71

FRANKFORT ELECTRIC & WATER PLANT BOARD

Month	Usage/Gallons	Total Cost
May 2019	6,195,000	17,593.80
June	5,059,000	14,367.56
July	5,297,000	15,043.48
August	5,609,000	15,929.56
September	5,841,000	16,588.44
October	6,406,000	18,193.04
November	7,292,000	20,709.28
December	5,253,000	14,918.52
January	5,255,000	14,924.20
February	4,756,000	13,507.04
March	4,210,000	11,956.40
April 2020	4,836,000	13,734.24
TOTAL	66,009,000	\$187,465.56

WEST SHELBY WATER DISTRICT

Month	Usage/Gallons	Total Cost
May 2019	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 2020	0	0.00
TOTAL	0	\$0.00

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

Month	Residential	Commercial	Other	Total Gallons Sold
May 2019	23,223,100	236,800	3,882,800	27,342,700
June	25,724,700	394,700	4,092,900	30,212,300
July	29,235,700	629,700	4,240,270	34,105,670
August	32,331,000	591,400	3,647,200	36,569,600
September	43,616,300	524,000	3,910,000	48,050,300
October	40,304,300	487,200	3,788,400	44,579,900
November	41,982,700	459,500	3,817,000	46,259,200
December	29,432,700	107,200	9,994,300	39,534,200
January	23,220,900	62,400	4,844,400	28,127,700
February	21,401,500	41,600	7,095,100	28,538,200
March	20,666,100	56,700	7,717,000	28,439,800
April 2020	22,579,000	111,700	5,857,600	28,548,300
TOTAL	353,718,000	3,702,900	62,886,970	420,307,870

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, 2019. An application requesting the proposed rates was filed with the Kentucky Public Service Commission on June 16, 2019 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	\$22.68 Minimum Bill	\$22.76 Minimum Bill	\$0.08	0.35%
Next 3,000 gallons	\$7.64 per 1,000 gallons	\$7.68 per 1,000 gallons	\$0.04	0.52%
Next 5,000 gallons	\$6.26 per 1,000 gallons	\$6.30 per 1,000 gallons	\$0.04	0.64%
Next 40,000 gallons	\$5.57 per 1,000 gallons	\$5.61 per 1,000 gallons	\$0.04	0.72%
Over 50,000 gallons	\$4.89 per 1,000 gallons	\$4.93 per 1,000 gallons	\$0.04	0.82%
<u>1" Meters:</u>				
First 5,000 gallons	\$45.60 Minimum Bill	\$45.80 Minimum Bill	\$0.20	0.44%
Next 5,000 gallons	\$6.26 per 1,000 gallons	\$6.30 per 1,000 gallons	\$0.04	0.64%
Next 40,000 gallons	\$5.57 per 1,000 gallons	\$5.61 per 1,000 gallons	\$0.04	0.72%
Over 50,000 gallons	\$4.89 per 1,000 gallons	\$4.93 per 1,000 gallons	\$0.04	0.82%
<u>1 1/2" Meters:</u>				
First 10,000 gallons	\$76.90 Minimum Bill	\$77.30 Minimum Bill	\$0.40	0.52%
Next 40,000 gallons	\$5.57 per 1,000 gallons	\$5.61 per 1,000 gallons	\$0.04	0.72%
Over 50,000 gallons	\$4.89 per 1,000 gallons	\$4.93 per 1,000 gallons	\$0.04	0.82%
<u>2" Meters:</u>				
First 15,000 gallons	\$104.75 Minimum Bill	\$105.35 Minimum Bill	\$0.60	0.57%
Next 35,000 gallons	\$5.57 per 1,000 gallons	\$5.61 per 1,000 gallons	\$0.04	0.72%
Over 50,000 gallons	\$4.89 per 1,000 gallons	\$4.93 per 1,000 gallons	\$0.04	0.82%
<u>3" Meters:</u>				
First 35,000 gallons	\$216.15 Minimum Bill	\$217.55 Minimum Bill	\$1.40	0.65%
Next 15,000 gallons	\$5.57 per 1,000 gallons	\$5.61 per 1,000 gallons	\$0.04	0.72%
Over 50,000 gallons	\$4.89 per 1,000 gallons	\$4.93 per 1,000 gallons	\$0.04	0.82%

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 \$45.60 to \$45.80. 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

SHEET NO. 1

North Shelby Water Company
(Name of Utility)

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

SHEET NO. 1

RATES AND CHARGES

MONTHLY RATES:

5/8 x 3/4 Inch Meters:

First 2,000 gallons	\$22.76 Minimum Bill
Next 3,000 gallons	\$7.68 per 1,000 gallons
Next 5,000 gallons	\$6.30 per 1,000 gallons
Next 40,000 gallons	\$5.61 per 1,000 gallons
Over 50,000 gallons	\$4.93 per 1,000 gallons

1 Inch Meters:

First 5,000 gallons	\$45.80 Minimum Bill
Next 5,000 gallons	\$6.30 per 1,000 gallons
Next 40,000 gallons	\$5.61 per 1,000 gallons
Over 50,000 gallons	\$4.93 per 1,000 gallons

1 1/2 Inch Meters:

First 10,000 gallons	\$77.30 Minimum Bill
Next 40,000 gallons	\$5.61 per 1,000 gallons
Over 50,000 gallons	\$4.93 per 1,000 gallons

2 Inch Meters:

First 15,000 gallons	\$105.35 Minimum Bill
Next 35,000 gallons	\$5.61 per 1,000 gallons
Over 50,000 gallons	\$4.93 per 1,000 gallons

3 Inch Meters:

First 35,000 gallons	\$217.55 Minimum Bill
Next 15,000 gallons	\$5.61 per 1,000 gallons
Over 50,000 gallons	\$4.93 per 1,000 gallons

(I)



DATE OF ISSUE June 16, 2020
Month / Date / Year

DATE EFFECTIVE July 1, 2020
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 _____

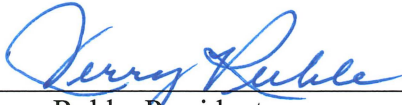
RESOLUTION OF AUTHORIZATION

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, 2020. 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 June 16, 2020. The rates proposed therein shall become effective for service rendered on or after July 1, 2020.

Action herein ordered shall be duly recorded in the minutes of this public meeting of the North Shelby Water Company held on this 15th day of June, 2020.

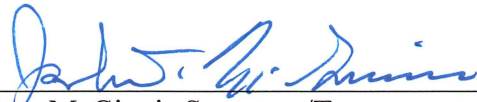
Ordered this the 15th day of June, 2020.

Signed:



Jerry Ruble, President

Attest:



Tom McGinnis Secretary/Treasurer