

North Shelby Water Company

PO Box 97

Bagdad, KY 40003

Toll Free 1-800-870-4148

(502) 747-8942

Fax: (502) 747-5048

June 22, 2021

Ms. Linda C. Bridwell
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. Bridwell:

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 \$50.48 per month and wholesale rates by \$0.05 per 1000 gallons. These increases will take effect July 1, 2021. The Company was also notified in March 2021, by another supplier, the Shelbyville Municipal Water & Sewer Commission, that it would increase its wholesale rates by \$0.07 per 1000 gallons. This increase took effect on April 19, 2021. The combined result of these increases is \$24,694.10 in additional yearly supply cost for the Company. This translates into \$0.06 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 – Copy Shelbyville Municipal Water & Sewer Commission's Notice of an Increase in Wholesale Rates

Exhibit D – Statement of Water Purchased

Exhibit E – Statement of Water Sold

Exhibit F – Notice to Customers

Exhibit G – Revised Tariff Sheet

Exhibit H – 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,



Bryan Franklin, President

BF/jlm

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

Name of Utility	North Shelby Water Company		
Date	6/22/2021		
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: \$1,442.72 (Four (4) – 4” meters @ \$360.68 per meter) Rate per 1000 gallons: \$2.00 Elevated Area Surcharge per 1000 gallons: \$0.41	Monthly Meter Service Charge: \$1,493.20 (Four (4) – 4” meters @ \$373.30 per meter) Rate per 1000 gallons: \$2.02 Elevated Area Surcharge per 1000 gallons: \$0.44
Shelbyville Municipal Water & Sewer Commission	Rate per 1000 gallons: \$2.22	Rate per 1000 gallons: \$2.29
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 (Louisville Water Company) and Exhibit C (Shelbyville Municipal Water & Sewer Commission).

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	June 2020	through	May 2021
	(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	308,423,000
Shelbyville Municipal Water & Sewer Commission	123,817,000
Frankfort Electric & Water Plant Board	61,846,000
West Shelby Water District	0
TOTAL PURCHASES	494,086,000

4. Total sales for the 12 month period 421,813,599

5. Increased water cost \$24,694.10

The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

6. Purchased water adjustment factor \$0.06

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, 2021



Signature of Utility Officer

President

Title

Increased Water Cost Calculation:

Louisville Water Company

$$(12 \times \$1,493.20) + (308,423 \times \$2.46) = \$776,638.98$$

$$(12 \times \$1,442.72) + (308,423 \times \$2.41) = \$760,612.07$$

$$\text{Increased Water Cost} = \$16,026.91$$

Shelbyville Municipal Water & Sewer Commission

$$123,817 \times \$2.29 = \$283,540.93$$

$$123,817 \times \$2.22 = \$274,873.74$$

$$\text{Increased Water Cost} = \$8,667.19$$

Total Increased Water Cost

$$\$16,026.91 + \$8,667.19 = \$24,694.10$$

Purchased Water Adjustment Factor Calculation:

$$\text{Increased Cost of Water} = \$24,694.10$$

$$\text{Total Gallons Sold} = 421,813,599$$

$$\begin{aligned} \$24,694.10 / 421,813.6 &= 0.05854 \text{ per 1000 Gallons} \\ &= \$0.06 \text{ per 1000 Gallons} \end{aligned}$$



March 11, 2021

Mr. Pete Hedges
Manager
North Shelby Water Company
P.O. Box 97
Bagdad, KY 40003

Dear Pete:

We are sorry you were unable to attend the meeting of our wholesale customers on March 8, 2021. Attached is the information we shared at the meeting. If you have any questions or want to discuss any of the information please let us know.

Louisville Water is proposing a wholesale rate increase effective July 1, 2021. The rate for wholesale water service on and after July 1, 2021 will be \$2.02 per thousand gallons, plus an elevated service area surcharge of \$0.44 per thousand gallons, for a total wholesale rate of \$2.46 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 this information for our wholesale customer meeting March 8, 2021.

We missed North Shelby at the meeting – you are a valued member of our wholesale customer group! If you would like us to come to your office and go over in greater detail what was discussed please let us know.

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, 2021 to increase its rates for wholesale water service to North Shelby Water Company effective July 1, 2021. 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	\$360.68	\$373.30	\$12.62	3.5%
Commodity Rate (per 1,000 gallons)				
Volume Charge				
(per 1,000 gallons)	\$2.00	\$2.02	\$0.02	1.0%
Elevated Service Area Surcharge				
(per 1,000 gallons)	<u>0.41</u>	<u>0.44</u>	<u>0.03</u>	<u>7.3%</u>
Total Commodity Rate				
(per 1,000 gallons)	\$2.41	\$2.46	\$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.

Shelbyville Municipal Water & Sewer Commission

P.O. Box 608

1059 Washington St.

Shelbyville, Ky. 40066

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

March 8, 2021, 2021

CERTIFIED MAIL

Bryan Franklin
North Shelby Water Company
P.O. Box 97
Bagdad, Ky. 40003

RE: Rate Increase

Dear Mr. Franklin:

The Commission met on Monday February 15, 2021, and recommended a Rate Increase of approximately 3%, for water utilities to the Shelbyville City Council.

The Shelbyville City Council held its first reading on Thursday, March 4, 2021, and its second reading will be heard on March 18, 2021.

The rate increase for these Wholesale Purchasers will be effective for water used on and after April 19, 2021, for billing dated June 1, 2021

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

Your proposed rate increase is from \$2.22 to \$2.29/1,000 gal, or an increase of approximately 3% (3.15%). A copy of the PSC "Form for Filing Rate Schedules" will follow, and the formal "NOTICE" is enclosed as the PSC requires.

This information is being mailed to the PSC.

Sincerely,



Thomas G, Doyle
Manager

RATEINCREASELETTERSTOWTRDISTRANDPSC2018bbb

NOTICE

The Shelbyville Municipal Water & Sewer Commission (SMW&SC) is providing notice that on February 15, 2021 a proposed increase in water rates was approved by the Commission, including wholesale water rates to Water Districts, and recommended these changes to the City Council which had their 1st reading on March 4, 2021, with the 2nd reading scheduled for March 18, 2021. The SMWSC is in process of filing this week with the Public Service Commission the wholesale rates it shall charge the North Shelby Water District, and the U.S.60 Water District. These **rates will be effective** for water service rendered on and after April 19, 2021. The proposed rates are as follows:

	<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>	<u>\$ Change</u>	<u>% Change</u>
North Shelby Water District and the U.S. 60 Water District	\$2.22/1,000 gallons	\$2.29/1,000 gallons	\$0.07/ gallon	3.15% increase

Quantities over the respective Contract Limits shall be charged the PROPOSED Rate described above, plus: \$1.00 per 1,000 gal.

The Shelbyville City Council had the 1st hearing on March 4, 2021 and the 2nd hearing will be on March 18, 2021. 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 (April 19, 2021) 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.

RATEINCREASENOTICEFOR2021us.60andnorthshelby

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

LOUISVILLE WATER COMPANY

Month	Usage/Gallons	Total Cost
June 2020	29,941,000	72,035.60
July	23,860,000	58,451.24
August	29,695,000	72,987.91
September	33,960,000	83,361.44
October	26,606,000	65,495.98
November	26,167,000	49,930.55
December	16,430,000	41,066.70
January	13,740,000	34,631.24
February	13,562,000	34,107.38
March	25,897,000	63,929.61
April	35,091,000	86,039.71
May 2021	33,474,000	82,000.42
TOTAL	308,423,000	\$744,037.78

SHELBYVILLE MUNICIPAL WATER & SEWER COMMISSION

Month	Usage/Gallons	Total Cost
June 2020	11,281,900	25,045.82
July	11,629,800	25,818.16
August	9,745,600	21,635.24
September	11,671,100	25,909.84
October	9,423,800	20,920.84
November	9,916,000	22,013.52
December	10,099,200	22,420.22
January	11,841,700	26,288.57
February	9,873,200	21,918.50
March	8,829,700	19,601.93
April	9,747,100	21,643.00
May 2021	9,757,900	22,345.59
TOTAL	123,817,000	\$275,561.23

FRANKFORT ELECTRIC & WATER PLANT BOARD

Month	Usage/Gallons	Total Cost
June 2020	4,825,000	13,703.00
July	8,312,000	23,606.08
August	4,272,000	12,132.48
September	6,024,000	17,108.16
October	5,635,000	16,003.40
November	3,110,000	8,832.40
December	5,585,000	15,861.40
January	5,905,000	16,770.20
February	4,541,000	12,896.44
March	4,565,000	12,964.60
April	4,536,000	12,882.24
May 2021	4,536,000	12,882.24
TOTAL	61,846,000	\$175,642.64

WEST SHELBY WATER DISTRICT

Month	Usage/Gallons	Total Cost
June 2020	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	0	0.00
May 2021	0	0.00
TOTAL	0	\$0.00

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

Month	Residential	Commercial	Other	Total Gallons Sold
June 2020	26,019,200	115,200	6,202,800	32,337,200
July	34,509,000	155,800	9,161,200	43,826,000
August	41,777,600	195,600	5,390,800	47,364,000
September	31,006,100	108,900	5,514,400	36,629,400
October	29,153,512	115,400	8,461,700	37,730,612
November	28,892,007	154,000	6,301,800	35,347,807
December	24,718,680	61,000	8,135,700	32,915,380
January	22,342,400	63,100	7,064,400	29,469,900
February	25,056,300	251,000	6,873,400	32,180,700
March	23,765,000	558,800	6,852,600	31,176,400
April	24,270,300	335,900	7,880,400	32,486,600
May 2021	23,765,100	176,100	6,408,400	30,349,600
TOTAL	335,275,199	2,290,800	84,247,600	421,813,599

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 and the Shelbyville Municipal Water & Sewer Commission, the North Shelby Water Company will increase its rates for services effective July 1, 2021. An application requesting the proposed rates was filed with the Kentucky Public Service Commission on June 22, 2021 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	\$22.76 Minimum Bill	\$22.88 Minimum Bill	\$0.12	0.52%
Next 3,000 gallons	\$7.68 per 1,000 gallons	\$7.74 per 1,000 gallons	\$0.06	0.78%
Next 5,000 gallons	\$6.30 per 1,000 gallons	\$6.36 per 1,000 gallons	\$0.06	0.95%
Next 40,000 gallons	\$5.61 per 1,000 gallons	\$5.67 per 1,000 gallons	\$0.06	1.07%
Over 50,000 gallons	\$4.93 per 1,000 gallons	\$4.99 per 1,000 gallons	\$0.06	1.22%
<u>1" Meters:</u>				
First 5,000 gallons	\$45.80 Minimum Bill	\$46.10 Minimum Bill	\$0.30	0.66%
Next 5,000 gallons	\$6.30 per 1,000 gallons	\$6.36 per 1,000 gallons	\$0.06	0.95%
Next 40,000 gallons	\$5.61 per 1,000 gallons	\$5.67 per 1,000 gallons	\$0.06	1.07%
Over 50,000 gallons	\$4.93 per 1,000 gallons	\$4.99 per 1,000 gallons	\$0.06	1.22%
<u>1 1/2" Meters:</u>				
First 10,000 gallons	\$77.30 Minimum Bill	\$77.90 Minimum Bill	\$0.60	0.78%
Next 40,000 gallons	\$5.61 per 1,000 gallons	\$5.67 per 1,000 gallons	\$0.06	1.07%
Over 50,000 gallons	\$4.93 per 1,000 gallons	\$4.99 per 1,000 gallons	\$0.06	1.22%
<u>2" Meters:</u>				
First 15,000 gallons	\$105.35 Minimum Bill	\$106.25 Minimum Bill	\$0.90	0.85%
Next 35,000 gallons	\$5.61 per 1,000 gallons	\$5.67 per 1,000 gallons	\$0.06	1.07%
Over 50,000 gallons	\$4.93 per 1,000 gallons	\$4.99 per 1,000 gallons	\$0.06	1.22%
<u>3" Meters:</u>				
First 35,000 gallons	\$217.55 Minimum Bill	\$219.65 Minimum Bill	\$2.10	0.97%
Next 15,000 gallons	\$5.61 per 1,000 gallons	\$5.67 per 1,000 gallons	\$0.06	1.07%
Over 50,000 gallons	\$4.93 per 1,000 gallons	\$4.99 per 1,000 gallons	\$0.06	1.22%

As noted above, based on the increased cost of water from the Louisville Water Company and the Shelbyville Municipal Water & Sewer Commission, all rates will increase \$0.06 per 1,000 gallons. The monthly bill for a customer using an average of 6,585 gallons of water each month will increase from \$55.79 to \$56.18. This is an increase of \$0.39 or 0.70%.

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/ Bryan Franklin, President

EXHIBIT F

P.S.C. KY. NO. 2

5th REVISED SHEET NO. 1

North Shelby Water Company
(Name of Utility)

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

4th REVISED SHEET NO. 1

RATES AND CHARGES

MONTHLY RATES:

5/8 x 3/4 Inch Meters:

First 2,000 gallons	\$22.88 Minimum Bill
Next 3,000 gallons	\$7.74 per 1,000 gallons
Next 5,000 gallons	\$6.36 per 1,000 gallons
Next 40,000 gallons	\$5.67 per 1,000 gallons
Over 50,000 gallons	\$4.99 per 1,000 gallons

1 Inch Meters:

First 5,000 gallons	\$46.10 Minimum Bill
Next 5,000 gallons	\$6.36 per 1,000 gallons
Next 40,000 gallons	\$5.67 per 1,000 gallons
Over 50,000 gallons	\$4.99 per 1,000 gallons

1 1/2 Inch Meters:

First 10,000 gallons	\$77.90 Minimum Bill
Next 40,000 gallons	\$5.67 per 1,000 gallons
Over 50,000 gallons	\$4.99 per 1,000 gallons

2 Inch Meters:

First 15,000 gallons	\$106.25 Minimum Bill
Next 35,000 gallons	\$5.67 per 1,000 gallons
Over 50,000 gallons	\$4.99 per 1,000 gallons

3 Inch Meters:

First 35,000 gallons	\$219.65 Minimum Bill
Next 15,000 gallons	\$5.67 per 1,000 gallons
Over 50,000 gallons	\$4.99 per 1,000 gallons

(I)



DATE OF ISSUE June 22, 2021
Month / Date / Year

DATE EFFECTIVE July 1, 2021
Month / Date / Year

ISSUED BY Bryan Franklin
(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 Shelbyville Municipal Water & Sewer Commission effective on April 19, 2021 and the Louisville Water Company effective on July 1, 2021. 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 22, 2021. The rates proposed therein shall become effective for service rendered on or after July 1, 2021.

Action herein ordered shall be duly recorded in the minutes of this public meeting of the North Shelby Water Company held on this the 21st day of June 2021.

Ordered this the 21st day of June 2021.

Signed:



Bryan Franklin, President

Attest:



Tom McGinnis Secretary/Treasurer