

North Shelby Water Company

PO Box 97

Bagdad, KY 40003

Toll Free 1-800-870-4148

(502) 747-8942

Fax: (502) 747-5048

June 1, 2022

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 decrease meter service charges by \$892.24 per month and increase wholesale rates by \$0.09 per 1000 gallons. These changes will take effect on July 1, 2022. The Company was also recently notified by another supplier, the Shelbyville Municipal Water & Sewer Commission, that it would increase its wholesale rates by \$0.06 per 1000 gallons. This increase will take effect on June 19, 2022. The combined result of these increases is \$26,669.16 in additional yearly supply cost for the Company. This translates into \$0.07 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	6/1/2022	
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: \$1,493.20 (Four (4) – 4” meters @ \$373.30 per meter) Rate per 1000 gallons: \$2.02 Elevated Area Surcharge per 1000 gallons: \$0.44	Monthly Meter Service Charge: \$600.96 (Four (4) – 4” meters @ \$150.24 per meter) Rate per 1000 gallons: \$2.07 Elevated Area Surcharge per 1000 gallons: \$0.48
Shelbyville Municipal Water & Sewer Commission	Rate per 1000 gallons: \$2.29	Rate per 1000 gallons: \$2.35
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	May 2021	through	April 2022
	(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	329,576,000
Shelbyville Municipal Water & Sewer Commission	128,570,000
Frankfort Electric & Water Plant Board	66,617,000
West Shelby Water District	0
TOTAL PURCHASES	524,763,000

4. Total sales for the 12 month period 430,501,900

5. Increased water cost \$26,669.16

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

6. Purchased water adjustment factor \$0.07

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, 2022



Signature of Utility Officer

President
Title

Increased Water Cost Calculation:

Louisville Water Company

$$(12 \times \$600.96) + (329,576 \times \$2.55) = \$847,630.32$$

$$(12 \times \$1,493.20) + (329,576 \times \$2.46) = \$828,675.36$$

$$\text{Increased Water Cost} = \$18,954.96$$

Shelbyville Municipal Water & Sewer Commission

$$128,570 \times \$2.35 = \$302,139.50$$

$$128,570 \times \$2.29 = \$294,425.30$$

$$\text{Increased Water Cost} = \$7,714.20$$

Total Increased Water Cost

$$\$18,954.96 + \$7,714.20 = \$26,669.16$$

Purchased Water Adjustment Factor Calculation:

$$\text{Increased Cost of Water} = \$26,669.16$$

$$\text{Total Gallons Sold} = 430,501,900$$

$$\begin{aligned} \$26,669.16 / 430,501.9 &= 0.0619 \text{ per 1000 Gallons} \\ &= \$0.07 \text{ per 1000 Gallons} \end{aligned}$$

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, 2022 to increase its rates for wholesale water service to North Shelby Water Company effective July 1, 2022. 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	\$373.30	\$150.24	\$-223.06	-59.7%
Commodity Rate (per 1,000 gallons)				
Volume Charge				
(per 1,000 gallons)	\$2.02	\$2.07	\$0.05	2.47%
Elevated Service Area Surcharge				
(per 1,000 gallons)	<u>0.44</u>	<u>0.48</u>	<u>0.04</u>	<u>9.1%</u>
Total Commodity Rate				
(per 1,000 gallons)	\$2.46	\$2.55	\$0.09	\$3.6%

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 Street
Shelbyville, Ky. 40066
Phone: 502-633-2840 Fax: 502-633-1939

May 10, 2022

David Hedges, Manager
North Shelby Water Company

RE: Rate Increase

Dear Mr. Hedges,

The Commission met April 20, 2022 and made the decision to enact its provision for automatic rate increase of 2.5% that was approved in the City of Shelbyville Ordinance #2021-03-18.

This will increase the Cost of Water from \$2.29/1000 gallons to \$2.35/1,000 Gallons.

The new rate will take effect on water purchased beginning June 19th, 2022 and will show on the August 1, 2022 Bill.

We will soon be mailing this information to the PSC.

Thank you,

Tom Doyle
General Manager
Shelbyville Municipal Water and Sewer Commission

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

LOUISVILLE WATER COMPANY

Month	Usage/Gallons	Total Cost
May 2021	33,474,000	82,000.42
June	41,702,000	102,019.66
July	19,922,000	59,059.77
August	33,095,000	82,837.34
September	32,404,000	81,333.88
October	23,868,000	60,138.92
November	21,479,000	54,261.98
December	24,410,000	61,619.52
January	23,934,000	60,350.40
February	24,648,000	62,008.64
March	27,763,000	69,917.02
April 2022	22,877,000	57,701.06
TOTAL	329,576,000	\$833,248.61

SHELBYVILLE MUNICIPAL WATER & SEWER COMMISSION

Month	Usage/Gallons	Total Cost
May 2021	9,757,900	22,345.59
June	12,473,300	28,563.86
July	10,260,200	23,495.86
August	10,291,200	23,566.85
September	10,367,600	23,741.81
October	10,017,500	22,940.07
November	11,915,800	27,287.19
December	9,495,300	21,744.24
January	11,106,400	25,433.66
February	11,576,200	26,509.50
March	10,524,300	24,100.65
April 2022	10,784,300	24,696.05
TOTAL	128,570,000	\$294,425.33

FRANKFORT ELECTRIC & WATER PLANT BOARD

Month	Usage/Gallons	Total Cost
May 2021	4,536,000	12,882.24
June	6,180,000	17,551.20
July	6,757,000	19,189.88
August	7,216,000	20,493.44
September	6,925,000	19,667.00
October	5,569,000	15,815.96
November	4,901,000	13,918.84
December	5,076,000	14,415.84
January	4,923,000	13,981.32
February	4,819,000	13,685.96
March	5,227,000	14,844.68
April 2022	4,488,000	12,745.92
TOTAL	66,617,000	\$189,192.28

WEST SHELBY WATER DISTRICT

Month	Usage/Gallons	Total Cost
May 2021	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 2022	0	0.00
TOTAL	0	\$0.00

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

Month	Residential	Commercial	Other	Total Gallons Sold
May 2021	23,765,100	176,100	6,408,400	30,349,600
June	29,120,100	441,300	7,181,700	36,743,100
July	33,332,500	452,200	6,376,300	40,161,000
August	33,136,700	357,500	5,489,200	38,983,400
September	38,832,300	684,400	5,687,900	45,204,600
October	33,409,200	526,900	8,347,500	42,283,600
November	25,562,500	293,600	7,685,300	33,541,400
December	24,677,100	177,500	8,659,500	33,514,100
January	23,743,600	85,900	7,072,100	30,901,600
February	26,666,500	324,600	8,130,200	35,121,300
March	26,459,100	103,400	7,755,100	34,317,600
April 2022	21,514,200	242,600	7,623,800	29,380,600
TOTAL	340,218,900	3,866,000	86,417,000	430,501,900

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 Louisville Water Company and the Shelbyville Municipal Water & Sewer Commission, the North Shelby Water Company will increase its rates for services effective July 1, 2022. An application requesting the proposed rates was filed with the Kentucky Public Service Commission on June 1, 2022 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	\$22.88 Minimum Bill	\$23.02 Minimum Bill	\$0.14	0.61%
Next 3,000 gallons	\$0.00774 per gallon	\$0.00781 per gallon	\$0.00007	0.90%
Next 5,000 gallons	\$0.00636 per gallon	\$0.00643 per gallon	\$0.00007	1.10%
Next 40,000 gallons	\$0.00567 per gallon	\$0.00574 per gallon	\$0.00007	1.23%
Over 50,000 gallons	\$0.00499 per gallon	\$0.00506 per gallon	\$0.00007	1.40%
<u>1" Meters:</u>				
First 5,000 gallons	\$46.10 Minimum Bill	\$46.45 Minimum Bill	\$0.35	0.76%
Next 5,000 gallons	\$0.00636 per gallon	\$0.00643 per gallon	\$0.00007	1.10%
Next 40,000 gallons	\$0.00567 per gallon	\$0.00574 per gallon	\$0.00007	1.23%
Over 50,000 gallons	\$0.00499 per gallon	\$0.00506 per gallon	\$0.00007	1.40%
<u>1 1/2" Meters:</u>				
First 10,000 gallons	\$77.90 Minimum Bill	\$78.60 Minimum Bill	\$0.70	0.90%
Next 40,000 gallons	\$0.00567 per gallon	\$0.00574 per gallon	\$0.00007	1.23%
Over 50,000 gallons	\$0.00499 per gallon	\$0.00506 per gallon	\$0.00007	1.40%
<u>2" Meters:</u>				
First 15,000 gallons	\$106.25 Minimum Bill	\$107.30 Minimum Bill	\$1.05	0.99%
Next 35,000 gallons	\$0.00567 per gallon	\$0.00574 per gallon	\$0.00007	1.23%
Over 50,000 gallons	\$0.00499 per gallon	\$0.00506 per gallon	\$0.00007	1.40%
<u>3" Meters:</u>				
First 35,000 gallons	\$219.65 Minimum Bill	\$222.10 Minimum Bill	\$2.45	1.12%
Next 15,000 gallons	\$0.00567 per gallon	\$0.00574 per gallon	\$0.00007	1.23%
Over 50,000 gallons	\$0.00499 per gallon	\$0.00506 per gallon	\$0.00007	1.40%

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 \$0.07 per 1,000 gallons (\$0.00007 per gallon). The monthly bill for a customer using an average of 6,720 gallons of water each month will increase from \$57.04 to \$57.51. This is an increase of \$0.47 or 0.82%.

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

6th REVISED SHEET NO. 1

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

5th REVISED SHEET NO. 1

North Shelby Water Company
(Name of Utility)

RATES AND CHARGES

MONTHLY RATES:

5/8 x 3/4 Inch Meters:

First 2,000 gallons	\$23.02 Minimum Bill
Next 3,000 gallons	\$0.00781 per gallon
Next 5,000 gallons	\$0.00643 per gallon
Next 40,000 gallons	\$0.00574 per gallon
Over 50,000 gallons	\$0.00506 per gallon

(I)

1 Inch Meters:

First 5,000 gallons	\$46.45 Minimum Bill
Next 5,000 gallons	\$0.00643 per gallon
Next 40,000 gallons	\$0.00574 per gallon
Over 50,000 gallons	\$0.00506 per gallon

1 1/2 Inch Meters:

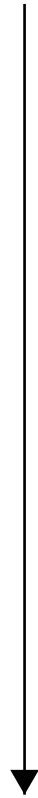
First 10,000 gallons	\$78.60 Minimum Bill
Next 40,000 gallons	\$0.00574 per gallon
Over 50,000 gallons	\$0.00506 per gallon

2 Inch Meters:

First 15,000 gallons	\$107.30 Minimum Bill
Next 35,000 gallons	\$0.00574 per gallon
Over 50,000 gallons	\$0.00506 per gallon

3 Inch Meters:

First 35,000 gallons	\$222.10 Minimum Bill
Next 15,000 gallons	\$0.00574 per gallon
Over 50,000 gallons	\$0.00506 per gallon



DATE OF ISSUE June 1, 2022
Month / Date / Year

DATE EFFECTIVE July 1, 2022
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 June 19, 2022 and the Louisville Water Company effective on July 1, 2022. 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 1, 2022. The rates proposed therein shall become effective for service rendered on or after July 1, 2022.

Action herein ordered shall be duly recorded in the minutes of this public meeting of the North Shelby Water Company held on this the 16th day of May 2022.

Ordered this the 16th day of May 2022.

Signed:



Bryan Franklin, President

Attest:



Tom McGinnis Secretary/Treasurer