

North Shelby Water Company

PO Box 97

Bagdad, KY 40003

Toll Free 1-800-870-4148

(502) 747-8942

Fax: (502) 747-5048

July 19, 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, 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 July 19, 2022. The combined result of these increases is \$7,714.20 in additional yearly supply cost for the Company. This translates into \$0.02 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 Shelbyville Municipal Water & Sewer Commission'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

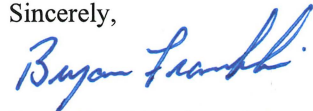
Exhibit F – Revised Tariff Sheet

Exhibit G – 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 | 7/19/2022 | |
| 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 |
|--|--|-------------------------------|
| Shelbyville Municipal Water & Sewer Commission | Rate per 1000 gallons: \$2.29 | Rate per 1000 gallons: \$2.35 |
| Louisville Water Company | 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 | 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 (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 |
|--|--|
| Shelbyville Municipal Water & Sewer Commission | 128,570,000 |
| Louisville Water Company | 329,576,000 |
| 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 \$7,714.20

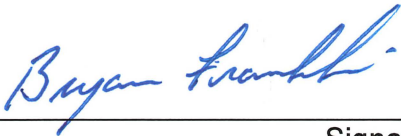
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

6. Purchased water adjustment factor \$0.02

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 19, 2022



Signature of Utility Officer

President

Title

Increased Water Cost Calculation:

Shelbyville Municipal Water & Sewer Commission

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

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

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

Purchased Water Adjustment Factor Calculation:

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

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

$$\begin{aligned} \$7,714.20 / 430,501.9 &= 0.0179 \text{ per 1000 Gallons} \\ &= \$0.02 \text{ per 1000 Gallons} \end{aligned}$$

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. This ordinance allowed the Commission to do annual increases of 2.5% annually to all water and sewer customers. The SMW&SC 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 July 19, 2022. The proposed rates are as follows:

| CURRENT RATE | PROPOSED RATE | \$ Change | % Change |
|-----------------------------|-----------------------------|----------------------|----------------------|
| \$2.29/1,000 gallons | \$2.35/1,000 gallons | \$0.06/gallon | 2.5% increase |

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

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 (July 19, 2022) 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.

**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 Shelbyville Municipal Water & Sewer Commission, the North Shelby Water Company will increase its rates for services effective July 19, 2022. An application requesting the proposed rates was filed with the Kentucky Public Service Commission on July 19, 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 | \$22.98 Minimum Bill | \$23.02 Minimum Bill | \$0.04 | 0.17% |
| Next 3,000 gallons | \$0.00779 per gallon | \$0.00781 per gallon | \$0.00002 | 0.26% |
| Next 5,000 gallons | \$0.00641 per gallon | \$0.00643 per gallon | \$0.00002 | 0.31% |
| Next 40,000 gallons | \$0.00572 per gallon | \$0.00574 per gallon | \$0.00002 | 0.35% |
| Over 50,000 gallons | \$0.00504 per gallon | \$0.00506 per gallon | \$0.00002 | 0.40% |
| <u>1" Meters:</u> | | | | |
| First 5,000 gallons | \$46.35 Minimum Bill | \$46.45 Minimum Bill | \$0.10 | 0.22% |
| Next 5,000 gallons | \$0.00641 per gallon | \$0.00643 per gallon | \$0.00002 | 0.31% |
| Next 40,000 gallons | \$0.00572 per gallon | \$0.00574 per gallon | \$0.00002 | 0.35% |
| Over 50,000 gallons | \$0.00504 per gallon | \$0.00506 per gallon | \$0.00002 | 0.40% |
| <u>1 1/2" Meters:</u> | | | | |
| First 10,000 gallons | \$78.40 Minimum Bill | \$78.60 Minimum Bill | \$0.20 | 0.26% |
| Next 40,000 gallons | \$0.00572 per gallon | \$0.00574 per gallon | \$0.00002 | 0.35% |
| Over 50,000 gallons | \$0.00504 per gallon | \$0.00506 per gallon | \$0.00002 | 0.40% |
| <u>2" Meters:</u> | | | | |
| First 15,000 gallons | \$107.00 Minimum Bill | \$107.30 Minimum Bill | \$0.30 | 0.28% |
| Next 35,000 gallons | \$0.00572 per gallon | \$0.00574 per gallon | \$0.00002 | 0.35% |
| Over 50,000 gallons | \$0.00504 per gallon | \$0.00506 per gallon | \$0.00002 | 0.40% |
| <u>3" Meters:</u> | | | | |
| First 35,000 gallons | \$221.40 Minimum Bill | \$222.10 Minimum Bill | \$0.70 | 0.32% |
| Next 15,000 gallons | \$0.00572 per gallon | \$0.00574 per gallon | \$0.00002 | 0.35% |
| Over 50,000 gallons | \$0.00504 per gallon | \$0.00506 per gallon | \$0.00002 | 0.40% |

As noted above, based on the increased cost of water from the Shelbyville Municipal Water & Sewer Commission, all rates will increase \$0.02 per 1,000 gallons (\$0.00002 per gallon). The monthly bill for a customer using an average of 6,720 gallons of water each month will increase from \$57.38 to \$57.51. This is an increase of \$0.13 or 0.23%.

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 E

P.S.C. KY. NO. 2

7th REVISED SHEET NO. 1

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

6th 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 July 19, 2022
Month / Date / Year

DATE EFFECTIVE July 19, 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 _____

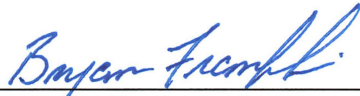
RESOLUTION OF AUTHORIZATION

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 July 19, 2022. The terms of the rate increase shall be consistent with the Company's application to the Public Service Commission to be submitted on July 19, 2022. The rates proposed therein shall become effective for service rendered on or after July 19, 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 18th day of July 2022.

Ordered this the 18th day of July 2022.

Signed:



Bryan Franklin, President

Attest:



Tom McGinnis Secretary/Treasurer