North Shelby Water Company PO Box 97 Bagdad, KY 40003 Toll Free 1-800-870-4148 (502) 747-8942

Bryan Franklin, President Jim Smith, Vice President Tom Miginnis, Secretary/Treasure Leo Young, Director Kevin Armstrong, Director Herb McCoun, Director Jimmy Anglin, Director Charles Doane, Director

February 10, 2023

Ms. Linda Bridwell Executive Director Public Service Commission PO Box 615 Frankfort, KY 40602

RE: Case No. 2022-00317 North Shelby Water Company Response to Staff Report of February 8, 2023

Dear Ms. Bridwell:

North Shelby Water Company (the "Company") submits the following comments concerning the Commission Staff Report dated February 8, 2023:

1. Although the Company does not agree with the Staff's recommendation that rates need to be increased by approximately 2.15 percent, the Company does not wish to contest that recommendation in this case. The Company's failure to object to Staff's recommendation concerning the rate increase shall not be construed to be a waiver of the Company's right to contest a similar recommendation in a future rate proceeding. The Company expressly reserves its right to do so.

2. Although the Company does not agree with the Staff's removal of certain labor expenses from nonrecurring charges, the Company does not wish to contest that adjustment in this case. The Company's failure to object to Staff's findings and recommendations concerning the reduction of certain Non-Recurring Charges shall not be construed to be a waiver of the Company's right to contest a similar finding or recommendation in a future rate proceeding. The Company expressly reserves its right to do so.

3. The Company concurs with the remainder of findings presented in the Staff Report.

4. The Company waives its right to request an informal conference or hearing in this case.

If you need any additional information from the Company to expedite implementation of the new rates, please contact our office.

Sincerely,

David Hedges

General Manager