

Case No. 2023-00178

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

Name of Utility	North Nelson Water District		
Date	June 1, 2023		
Address	P.O. Box 25		
City, State, Zip	Cox's Creek, KY	40013	
Telephone Number	502-348-8342		
Email Address	northnelsonwaterdistrict@yahoo.com		
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	
City of Bardstown	\$ 2.64/1,000 Gallons	\$ 2.72/1,000 Gallons	
Louisville Water Company	\$ 2.55/1,000 Gallons	\$ 2.63/1,000 Gallons	
	\$ 500.80/month	\$ 502.40/month	
1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit			
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 2022	through	April 2023
	(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
City of Bardstown	88,232,000
Louisville Water Company	219,905,000
TOTAL PURCHASES	308,137,000
4. Total gallons sold for the 12 month period	
	273,541,800
5. Increased water cost	
	\$ 24,670.16
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation is attached as Exhibit	
6. Purchased water adjustment factor	
	0.0902 Rounds to .10
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.	
7. A schedule listing the current and proposed rates is attached as Exhibit	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit	
9. Proposed effective date	
	July 1, 2023
	
Signature of Utility Officer	
General Manager	
Title	

EXHIBIT LIST

NORTH NELSON WATER DISTRICT – PURCHASED WATER ADJUSTMENT

- A. Notice of Increased Rates from Louisville Water Company and City of Bardstown
- B. Cost Increase Calculations
- C. Water Purchases
- D. Total Water Sales
- E. Customer Notice
- F. Resolution Adjusting Water Rates and Charges to Offset the Louisville Water Company and the City of Bardstown Wholesale Rate Increases

EXHIBIT A



March 14, 2023

Mr. Cole Cissell
Manager
North Nelson Water District
P.O. Box 25
Cox's Creek, KY 40013

Dear Cole:

On behalf of Louisville Water Company, thank you for attending the meeting of our wholesale customers held on March 7, 2023. We hope you found the information we shared beneficial.

As previously discussed at the above meeting, the proposed wholesale commodity charge effective July 1, 2023 will be \$2.13 per thousand gallons, plus an elevated service area surcharge of \$0.50 per thousand gallons, for a total wholesale rate of \$2.63 per thousand gallons. This represents a 3.1% increase of the 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 you notice at our wholesale customer meeting March 7, 2023.

Thank you again for attending our wholesale customer meeting. North Nelson is a valued member of this important customer group. 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, 2023 to increase its rates for wholesale water service to North Nelson Water District effective July 1, 2023. 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	\$150.24	\$150.72	\$0.48	0.32%
6" Meter	\$350.56	\$351.68	\$1.12	0.32%
Commodity Rate (per 1,000 gallons)				
Volume Charge (per 1,000 gallons)	\$2.07	\$2.13	\$0.06	2.89%
Elevated Service Area Surcharge (per 1,000 gallons)	<u>0.48</u>	<u>0.50</u>	<u>0.02</u>	<u>4.16%</u>
Total Commodity Rate (per 1,000 gallons)	\$2.55	\$2.63	\$0.08	\$3.14%

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.

AREA Bardstown, Kentucky

PSC KY NO. 1

Second Revised SHEET NO. 1

City of Bardstown, Bardstown Water Department
(NAME OF UTILITY)

CANCELLING PSC KY NO. 1

First Revised SHEET NO. 1

RATES AND CHARGES

MONTHLY WHOLESALE WATER RATE:

North Nelson Water District
Lancie County Water District #1

All usage

Effective Date	Rate Per 1,000 Gallons
January 1 st 2020	\$2.45
July 1 st 2020	\$2.49
July 1 st 2021	\$2.56
July 1 st 2022	\$2.64
July 1 st 2023	\$2.72

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DATE OF ISSUE 11-13-19
MONTH / DATE / YEAR

DATE EFFECTIVE JANUARY 1, 2020
MONTH / DATE / YEAR

ISSUED BY [Signature]
SIGNATURE OF OFFICER

TITLE Mayor

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. N/A DATED N/A

KENTUCKY
PUBLIC SERVICE COMMISSION

Gwen R. Pinson
Executive Director

[Signature]

EFFECTIVE
1/1/2020
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

NOTICE:

The City of Bardstown hereby provides notice that It filed with the Public Service Commission on November 13, 2019 to increase its rates to the North Nelson and Larue County No.1 Water Districts. In addition the proposed rate schedule will also apply to the cities of Bloomfield and New Haven.

The Current Rate is \$2.00 per thousand gallons and was last raised in 2013. New rates are proposed to be implemented in five incremental steps, the first become effective for water service rendered on and after January 1, 2020 with a new rate per 1,000 gallons to become effective each July 1st as forth below:

<u>Effective Date</u>	<u>New Rate</u>	<u>Previous Rate</u>	<u>\$ Difference</u>	<u>% Difference</u>
January 1 st 2020	\$2.45	\$2.00	\$0.45	22.50%
July 1 st 2020	\$2.49	\$2.45	\$0.04	1.63%
July 1 st 2021	\$2.56	\$2.49	\$0.07	2.81%
July 1 st 2022	\$2.64	\$2.56	\$0.08	3.13%
July 1 st 2023	\$2.72	\$2.64	\$0.08	3.03%

Water flowing through the meter(s) before the effective date will be charged at the previous rate while water flowing through the meter(s) on and after the new effective date will be charged at the new rate(s).

This filing may be examined at the utility's office inside Bardstown City Hall located at 220 North Fifth Street, Bardstown, Kentucky, Monday – Friday from 8:00 am - 4:30 pm.

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 Public Service Commission's website at <http://psc.ky.gov>.

Comments regarding this filing may be submitted by mail to the Public Service Commission, Post Office Box 815, Frankfort, Kentucky 40602; or through its website at <http://psc.ky.gov>.

While the proposed rates are the rates proposed by the City of Bardstown Water, the Public Service Commission may order rates that differ from these proposed rates.

Intervention may be requested by submitting a timely written request for intervention by mail to the Public Service Commission, Post Office Box 815, Frankfort, Kentucky 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.

EXHIBIT B



Rate Increase July 1, 2023
Cost Increase Calculation

Louisville Water Company

Current Rate

\$ 2.55/1,000 Gallons x 219,905,000 Gallons = \$ 560,757.75

\$ 500.80/month x 12 months = \$ 6,009.60

Total Current Rate \$ 566,767.35

City of Bardstown

Current Rate

\$ 2.64/1,000 Gallons x 88,232,000 Gallons = \$ 232,932.48

Total Current Rate \$ 232,932.48



Louisville Water Company

New Rate

\$ 2.63/1,000 Gallons x 219,905,000 Gallons = \$ 578,350.15

\$ 502.40/month x 12 months = \$ 6,028.80

Total New Rate \$ 584,378.95

City of Bardstown

New Rate

\$ 2.72/1,000 Gallons x 88,232,000 Gallons = \$ 239,991.04

Total New Rate \$ 239,991.04

EXHIBIT C



Total Water Purchased at New Rate

Louisville Water Company	\$ 584,378.95
<u>City of Bardstown</u>	<u>\$ 239,991.04</u>
Total	\$ 824,369.99

Total Water Purchased at Current Rate

Louisville Water Company	\$ 566,767.35
<u>City of Bardstown</u>	<u>\$ 232,932.48</u>
Total	\$ 799,699.83

Cost Difference Between New Rate vs. Current Rate

New Rate	\$ 824,369.99
<u>Current Rate</u>	<u>\$ 799,699.83</u>
Total	\$ 24,670.16



Purchased Water Adjustment Factor

Increased Cost of Water/Total Gallons Sold = PWA Factor

$\$24,670.16 / 273,541,800 = \0.0902 Rounds to $\$0.10$

**North Nelson Water District
Louisville Water Co.
May 2022 through April 2023**

Type	Date	Name	Memo	Split
May '22 - Apr 23				
Check	04/25/2023	Louisville Water Co	11,691,000 U...	61000 · Purcha...
Check	04/25/2023	Louisville Water Co	6,910,000 Us...	61000 · Purcha...
Check	03/23/2023	Louisville Water Co	5,342,000 usa...	61000 · Purcha...
Check	03/23/2023	Louisville Water Co	8,648,000 usa...	61000 · Purcha...
Check	02/21/2023	Louisville Water Co	11,432,000 us...	61000 · Purcha...
Check	02/21/2023	Louisville Water Co	6,907,000 usa...	61000 · Purcha...
Check	01/23/2023	Louisville Water Co	10,731,000 us...	61000 · Purcha...
Check	01/13/2023	Louisville Water Co	5,694,000 usa...	61000 · Purcha...
Check	12/28/2022	Louisville Water Co	8,019,000 usa...	61000 · Purcha...
Check	12/21/2022	Louisville Water Co	11,877,000 us...	61000 · Purcha...
Check	11/30/2022	Louisville Water Co	6,339,000 Bro...	61000 · Purcha...
Check	11/25/2022	Louisville Water Co	9,671,000 Cle...	61000 · Purcha...
Check	10/18/2022	Louisville Water Co	10,792,000 Cl...	61000 · Purcha...
Check	10/18/2022	Louisville Water Co	5,470,000 Bro...	61000 · Purcha...
Check	09/16/2022	Louisville Water Co	13,143,000 Cl...	61000 · Purcha...
Check	09/16/2022	Louisville Water Co	8,691,000 Bro...	61000 · Purcha...
Check	08/23/2022	Louisville Water Co	11,639,000 Cl...	61000 · Purcha...
Check	08/23/2022	Louisville Water Co	3,826,000 Bro...	61000 · Purcha...
Check	08/02/2022	Louisville Water Co	4,495,000 Bro...	61000 · Purcha...
Check	08/02/2022	Louisville Water Co	2,885,000 Cle...	61000 · Purcha...
Check	07/15/2022	Louisville Water Co	12,778,000 Cl...	61000 · Purcha...
Check	07/15/2022	Louisville Water Co	6,406,000 Bro...	61000 · Purcha...
Check	06/14/2022	Louisville Water Co	13,688,000 Cl...	61000 · Purcha...
Check	06/14/2022	Louisville Water Co	8,328,000 Bro...	61000 · Purcha...
Check	05/19/2022	Louisville Water Co	5,373,000 Bro...	61000 · Purcha...
Check	05/19/2022	Louisville Water Co	9,130,000 Cle...	61000 · Purcha...

May '22 - Apr 23

TOTAL GALLONS PURCHASED 219,905,000

North Nelson Water District

05/05/23

City Of Bardstown

Accrual Basis

May 2022 through April 2023

Type	Date	Name	Memo	Split
May '22 - Apr 23				
Check	04/11/2023	City of Bardstown Ut...	6,709,000 usa...	61000 · Purcha...
Check	03/14/2023	City of Bardstown Ut...	5,959,500 usa...	61000 · Purcha...
Check	02/13/2023	City of Bardstown Ut...	8,113,000 usa...	61000 · Purcha...
Check	01/11/2023	City of Bardstown Ut...	5,194,500 usa...	61000 · Purcha...
Check	12/13/2022	City of Bardstown Ut...	7,858,400 usa...	61000 · Purcha...
Check	11/14/2022	City of Bardstown Ut...	6,968,600 usa...	61000 · Purcha...
Check	10/07/2022	City of Bardstown Ut...	7,665,000 usa...	61000 · Purcha...
Check	09/07/2022	City of Bardstown Ut...	7,285,000 Us...	61000 · Purcha...
Check	08/10/2022	City of Bardstown Ut...	9,670,000 usa...	61000 · Purcha...
Check	07/15/2022	City of Bardstown Ut...	7,842,000 usa...	61000 · Purcha...
Check	06/06/2022	City of Bardstown Ut...	7,472,000 usa...	61000 · Purcha...
Check	05/06/2022	City of Bardstown Ut...	7,295,000 US...	61000 · Purcha...
May '22 - Apr 23				

Total Gallons Purchased 88,232,000

EXHIBIT D



Total Gallons Sold

May 2022	22,237,600 Gallons
June 2022	22,540,700 Gallons
July 2022	30,904,200 Gallons
August 2022	26,096,900 Gallons
September 2022	23,169,600 Gallons
October 2022	23,587,200 Gallons
November 2022	22,319,500 Gallons
December 2022	22,832,500 Gallons
January 2023	21,529,000 Gallons
February 2023	19,008,700 Gallons
March 2023	20,423,400 Gallons
<u>April 2023</u>	<u>18,892,500 Gallons</u>
Total	273,541,800 Gallons

BILLING SUMMARY REPORT
SERVICE BY MASTER METER

MASTER METER	BILLS	CHARGES	USAGE

SERVICE: WATER			
2	7776	233802.59	387754
3	6720	194002.88	309093
4	12495	338215.35	538148
5	11499	339298.48	562355
6	21658	587759.07	938068
	-----	-----	-----
SERVICE TOTALS:	60148	1693078.37	2735418
	=====	=====	
GRAND TOTALS:	60148	1693078.37	
	=====	=====	

For Reporting Period: 05/2022 TO 04/2023

* End of Report: North Nelson Water District *

EXHIBIT E

CUSTOMER NOTICE

Due to a rate increase from the City of Bardstown and Louisville Water Company, notice is hereby given that the North Nelson Water District has filed an application for a Purchased Water Adjustment with the Kentucky Public Service Commission for adjusting its water rates. Customer rates will increase by \$0.10 per 1,000 gallons used. The proposed change will be effective for service rendered on and after July 1, 2023.

Monthly Water Rates

	Current Rates	Proposed Rates	\$ Increase	% Increase
First 2,000 gallons	\$15.85 Minimum Bill	\$16.05 Minimum Bill	\$0.20	1.26%
Next 3,000 gallons	.00475 per gallon	.00485 per gallon	\$0.00010	2.11%
Next 5,000 gallons	.00423 per gallon	.00433 per gallon	\$0.00010	2.36%
Over 10,000 gallons	.00388 per gallon	.00398 per gallon	\$0.00010	2.58%
Truck loading stations	.00756 per gallon	.00766 per gallon	\$0.00010	1.32%

The monthly bill for a residential customer using an average of 5,000 gallons per month will increase from \$30.10 to \$30.60. This is an increase of \$0.50 or 1.66%.

The rates contained in this notice are the rates proposed by North Nelson Water District. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates shown in this notice.

North Nelson Water District has available for inspection at its office the application which it submitted to the Public Service Commission. North Nelson Water District's office is located at 5555 Louisville Road, Cox's Creek, KY 40013. You may contact the office at 502-348-8342.

A 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>. You may contact the Public Service Commission at 502-564-3940.

EXHIBIT F

RESOLUTION NO. 2023-05-01

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
THE NORTH NELSON WATER DISTRICT ADJUSTING
WATER RATES AND CHARGES TO OFFSET THE
LOUISVILLE WATER COMPANY AND THE CITY OF
BARDSTOWN WHOLESALE RATE INCREASES**

WHEREAS, the Louisville Water Company (“LWC”) and the City of Bardstown (“Bardstown”) are North Nelson Water District’s (“District”) wholesale water providers;

WHEREAS, on March 30, 2023 LWC filed an application with the Kentucky Public Service Commission (“PSC”) seeking to increase the wholesale water rate that LWC charges the District from \$2.55 to \$2.63 per 1,000 gallons and seeking to increase the monthly meter fees that LWC charges the District (See PSC Case TFS2023-00168), effective July 1, 2023;

WHEREAS, on November 15, 2019 Bardstown filed an application with the PSC seeking to increase the wholesale water rate that Bardstown charges the District. Bardstown’s application requested multiple step increases starting on July 1, 2020 and continuing each July 1 until July 1, 2023. The PSC approved Bardstown’s application on January 1, 2020 (See PSC Case TFS2019-

00625). Effective July 1, 2022, Bardstown's wholesale rate will increase from \$2.64 per 1,000 gallons to \$2.72 per 1,000 gallons;

WHEREAS, based upon the water purchases from LWC and Bardstown during the previous 12 months, the estimated annual increased cost to the District will be **\$24,670.16**;

WHEREAS, prudent financial management dictates that the District take immediate action to adjust its retail rates commensurate with LWC's and Bardstown's wholesale rate increases; and

WHEREAS, KRS 278.015 and 807 KAR 5:068 provide the legal mechanism for the District to increase its water rates commensurate with LWC's and Bardstown's wholesale rate increases via a Purchased Water Adjustment ("PWA").

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF NORTH NELSON WATER DISTRICT AS FOLLOWS:

Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. The PWA factor is **\$0.10** per 1,000 gallons;

Section 3. All tiers of water usage set forth in the District's existing tariff shall be increased by **\$0.10** per 1,000 gallons, subject to any minor adjustment that may be made by the PSC.

Section 4. The monthly water rates to be charged to and collected from the customers and users of the water system of the District shall be as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The rates and charges set forth in **Appendix A** are subject to any minor adjustment that may be made by the PSC. These monthly rates and charges shall be in effect for all water service rendered on and after July 1, 2023.

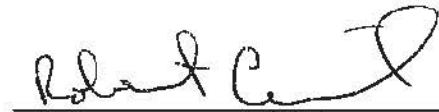
Section 5. The General Manager is hereby authorized and directed to execute and file the PWA Application, Tariff Sheet, and all other documents that may be required by the PSC.

Section 6. The General Manager, all appropriate District Staff, and the District's attorney are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to implement the PWA.

Section 7. This Resolution shall take effect upon its adoption.

ADOPTED BY THE COMMISSION OF NORTH NELSON WATER DISTRICT at a meeting held on May 15, 2023, signed by the Chairman, and attested by the Secretary.

ATTEST:



Robert Cecil, Chairman



Don Mudd, Secretary

CERTIFICATION

I, Secretary of the North Nelson Water District (the "District"), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Commission of the District at a meeting properly held on May 15, 2023, signed by the Chairman of the Commission, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 15th day of May, 2023.



Don Mudd, Secretary

APPENDIX A

FOR Entire Service Area
Community, Town or City

P.S.C. KY. NO. _____

Sixteenth Revised SHEET NO. 2

North Nelson Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

Fifteenth Revised SHEET NO. 2

Rates and Charges

Monthly Water Rates

All Meter Sizes

First 2,000 Gallons	\$ 16.05	Minimum Bill	(I)
Next 3,000 Gallons	0.00485	Per Gallon	(I)
Next 5,000 Gallons	0.00433	Per Gallon	(I)
Over 10,000 Gallons	0.00398	Per Gallon	(I)
Truck Loading Stations	0.00766	Per Gallon	(I)

DATE OF ISSUE May 15, 2023
Month / Date / Year

DATE EFFECTIVE July 1, 2023
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE General Manager

By Authority Of Order Of The Public Service Commission

IN CASE NO. _____ DATED _____