

# North Shelby Water Company

PO Box 97

Bagdad, KY 40003

Toll Free 1-800-870-4148

(502) 747-8942

Fax: (502) 747-5048

June 19, 2023

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 \$1.92 per month and increase wholesale rates by \$0.08 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 July 19, 2023. The combined result of these increases is \$36,620.45 in additional yearly supply cost for the Company. This translates into \$0.09 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

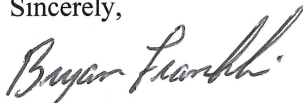
Exhibit G – Revised Tariff Sheet

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	6/19/2023	
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.

<b>Supplier(s)</b>	<b>Base Rate</b>	<b>Changed Rate</b>
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	Monthly Meter Service Charge: \$602.88 (Four (4) – 4” meters @ \$150.72 per meter)  Rate per 1000 gallons: \$2.13  Elevated Area Surcharge per 1000 gallons: \$0.50
Shelbyville Municipal Water & Sewer Commission	Rate per 1000 gallons: \$2.35	Rate per 1000 gallons: \$2.41
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 2022	through	May 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
Louisville Water Company	352,159,000
Shelbyville Municipal Water & Sewer Commission	140,411,500
Frankfort Electric & Water Plant Board	72,389,850
West Shelby Water District	0
<b>TOTAL PURCHASES</b>	564,960,350

4. Total sales for the 12-month period 455,505,000

5. Increased water cost \$36,620.45

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

6. Purchased water adjustment factor \$0.09

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, 2023



Signature of Utility Officer

President

Title

**Increased Water Cost Calculation:**

**Louisville Water Company**

$$(12 \times \$602.88) + (352,159 \times \$2.63) = \$933,412.73$$

$$(12 \times \$600.96) + (352,159 \times \$2.55) = \$905,216.97$$

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$$\text{Increased Water Cost} = \$28,195.76$$

**Shelbyville Municipal Water & Sewer Commission**

$$140,411.50 \times \$2.41 = \$338,391.72$$

$$140,411.50 \times \$2.35 = \$329,967.03$$

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$$\text{Increased Water Cost} = \$8,424.69$$

**Total Increased Water Cost**

$$\$28,195.76 + \$8,424.69 = \$36,620.45$$

**Purchased Water Adjustment Factor Calculation:**

$$\text{Increased Cost of Water} = \$36,620.45$$

$$\text{Total Gallons Sold} = 455,505,000$$

$$\$36,620.45 / 455,505 = 0.0804 \text{ per 1000 Gallons}$$

$$= \$0.09 \text{ per 1000 Gallons}$$



March 14, 2023

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

Dear Pete:

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 Shelby 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 Shelby Water Company effective July 1, 2023. The proposed rates are as follows:

	<u>Current Rate</u>	<u>New Rate</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Monthly Service Charge (Per Meter)</b>				
4" Meter	\$150.24	\$150.72	\$0.48	0.32%
<b>Commodity Rate (per 1,000 gallons)</b>				
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. 3<sup>rd</sup> 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.

## 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 1<sup>st</sup> reading on March 4, 2021, with the 2<sup>nd</sup> 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, 2023. The proposed rates are as follows:

<b>CURRENT RATE</b>	<b>PROPOSED RATE</b>	<b>\$ Change</b>	<b>% Change</b>
\$2.35/1,000 gallons	\$2.41/1,000 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 1<sup>st</sup> hearing on March 4, 2021 and the 2<sup>nd</sup> 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, 2023) 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.

AREA NORTH SHELBY WATER COMPANY

PSC KY NO. \_\_\_\_\_ 1 \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_ 1 \_\_\_\_\_

SHELBYVILLE MUNICIPAL WATER & SEWER COMMISSION  
(NAME OF UTILITY)

CANCELLING PSC KY NO. \_\_\_\_\_ 1 \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_ 1 \_\_\_\_\_

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WHOLESALE WATER SERVICE

NORTH SHELBY WATER COMPANY \$2.41 PER 1,000 GALLONS (I)

SURCHARGE FOR MONTHLY USAGE OVER 15 MILLION GALLONS \$1.00 PER 1,000 GALLONS (N)

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DATE OF ISSUE \_\_\_\_\_ APRIL, 25, 2023 \_\_\_\_\_  
MONTH / DATE / YEAR

DATE EFFECTIVE \_\_\_\_\_ JULY 19, 2023 \_\_\_\_\_  
MONTH / DATE / YEAR

ISSUED BY \_\_\_\_\_ /s/ Thomas Doyle \_\_\_\_\_  
SIGNATURE OF OFFICER

TITLE \_\_\_\_\_ GENERAL MANAGER \_\_\_\_\_

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_



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

**LOUISVILLE WATER COMPANY**

Month	Usage/Gallons	Total Cost
June 2022	26,539,000	66,709.58
July	30,431,000	76,333.02
August	35,226,000	89,402.67
September	31,703,000	81,455.13
October	33,951,000	87,207.29
November	30,060,000	77,231.00
December	23,637,000	60,827.55
January	25,780,000	66,331.72
February	33,020,000	84,929.50
March	26,217,000	67,406.55
April	29,597,000	76,124.35
May 2023	25,998,000	66,848.10
<b>TOTAL</b>	<b>352,159,000</b>	<b>\$900,806.46</b>

**SHELBYVILLE MUNICIPAL WATER & SEWER COMMISSION**

Month	Usage/Gallons	Total Cost
June 2022	11,448,000	26,215.92
July	12,529,500	28,692.55
August	12,934,800	30,396.79
September	12,244,600	28,774.82
October	12,164,800	28,587.28
November	11,397,500	26,784.13
December	10,676,700	25,090.25
January	12,234,000	28,749.90
February	11,872,600	27,900.61
March	11,011,600	25,877.27
April	10,212,600	23,999.62
May 2023	11,684,800	27,459.28
<b>TOTAL</b>	<b>140,411,500</b>	<b>\$328,528.42</b>

**FRANKFORT ELECTRIC & WATER PLANT BOARD**

Month	Usage/Gallons	Total Cost
June 2022	5,104,000	14,495.36
July	5,710,000	16,216.40
August	6,692,040	19,005.39
September	7,325,960	20,805.73
October	6,096,230	17,313.30
November	6,458,190	18,341.26
December	5,916,780	16,803.66
January	5,940,100	16,869.89
February	5,867,460	16,663.58
March	6,193,490	17,589.51
April	5,501,400	15,623.80
May 2023	5,584,200	15,859.13
<b>TOTAL</b>	<b>72,389,850</b>	<b>\$205,587.01</b>

**WEST SHELBY WATER DISTRICT**

Month	Usage/Gallons	Total Cost
June 2022	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 2023	0	0.00
<b>TOTAL</b>	<b>0</b>	<b>\$0.00</b>

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

Month	Residential	Commercial	Other	Total Gallons Sold
June 2022	30,168,500	511,800	8,275,700	38,956,000
July	36,137,700	767,000	8,220,300	45,125,000
August	36,681,400	567,000	8,196,300	45,444,700
September	31,502,500	255,800	7,693,100	39,451,400
October	33,735,000	839,400	10,272,900	44,847,300
November	31,492,600	741,200	5,781,700	38,015,500
December	27,873,800	450,700	7,384,600	35,709,100
January	23,262,800	328,600	6,103,200	29,694,600
February	30,125,400	142,100	8,757,100	39,024,600
March	23,142,000	161,300	6,946,800	30,250,100
April	23,065,700	225,000	7,627,600	30,918,300
May 2023	27,867,400	257,700	9,943,300	38,068,400
<b>TOTAL</b>	<b>355,054,800</b>	<b>5,247,600</b>	<b>95,202,600</b>	<b>455,505,000</b>

## 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 19, 2023. An application requesting the proposed rates was filed with the Kentucky Public Service Commission on June 19, 2023 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	\$23.02 Minimum Bill	\$23.20 Minimum Bill	\$0.18	0.78%
Next 3,000 gallons	\$0.00781 per gallon	\$0.00790 per gallon	\$0.00009	1.15%
Next 5,000 gallons	\$0.00643 per gallon	\$0.00652 per gallon	\$0.00009	1.40%
Next 40,000 gallons	\$0.00574 per gallon	\$0.00583 per gallon	\$0.00009	1.57%
Over 50,000 gallons	\$0.00506 per gallon	\$0.00515 per gallon	\$0.00009	1.78%
<u>1" Meters:</u>				
First 5,000 gallons	\$46.45 Minimum Bill	\$46.90 Minimum Bill	\$0.45	0.97%
Next 5,000 gallons	\$0.00643 per gallon	\$0.00672 per gallon	\$0.00009	1.40%
Next 40,000 gallons	\$0.00574 per gallon	\$0.00583 per gallon	\$0.00009	1.57%
Over 50,000 gallons	\$0.00506 per gallon	\$0.00515 per gallon	\$0.00009	1.78%
<u>1 1/2" Meters:</u>				
First 10,000 gallons	\$78.60 Minimum Bill	\$79.50 Minimum Bill	\$0.90	1.15%
Next 40,000 gallons	\$0.00574 per gallon	\$0.00583 per gallon	\$0.00009	1.57%
Over 50,000 gallons	\$0.00506 per gallon	\$0.00515 per gallon	\$0.00009	1.78%
<u>2" Meters:</u>				
First 15,000 gallons	\$107.30 Minimum Bill	\$108.65 Minimum Bill	\$1.35	1.26%
Next 35,000 gallons	\$0.00574 per gallon	\$0.00583 per gallon	\$0.00009	1.57%
Over 50,000 gallons	\$0.00506 per gallon	\$0.00515 per gallon	\$0.00009	1.78%
<u>3" Meters:</u>				
First 35,000 gallons	\$222.10 Minimum Bill	\$225.25 Minimum Bill	\$3.15	1.42%
Next 15,000 gallons	\$0.00574 per gallon	\$0.00583 per gallon	\$0.00009	1.57%
Over 50,000 gallons	\$0.00506 per gallon	\$0.00515 per gallon	\$0.00009	1.78%

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 \$0.09 per 1,000 gallons (\$0.00009 per gallon). The monthly bill for a typical residential customer using an average of 5,140 gallons of water each month will increase from \$47.35 to \$47.81. This is an increase of \$0.46 or 0.97%.

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

8<sup>th</sup> REVISED SHEET NO. 1

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

7<sup>th</sup> REVISED SHEET NO. 1

North Shelby Water Company  
(Name of Utility)

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RATES AND CHARGES

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MONTHLY RATES:

5/8 x 3/4 Inch Meters:

First 2,000 gallons	\$23.20 Minimum Bill
Next 3,000 gallons	\$0.00790 per gallon
Next 5,000 gallons	\$0.00652 per gallon
Next 40,000 gallons	\$0.00583 per gallon
Over 50,000 gallons	\$0.00515 per gallon

1 Inch Meters:

First 5,000 gallons	\$46.90 Minimum Bill
Next 5,000 gallons	\$0.00672 per gallon
Next 40,000 gallons	\$0.00583 per gallon
Over 50,000 gallons	\$0.00515 per gallon

1 1/2 Inch Meters:

First 10,000 gallons	\$79.50 Minimum Bill
Next 40,000 gallons	\$0.00583 per gallon
Over 50,000 gallons	\$0.00515 per gallon

2 Inch Meters:

First 15,000 gallons	\$108.65 Minimum Bill
Next 35,000 gallons	\$0.00583 per gallon
Over 50,000 gallons	\$0.00515 per gallon

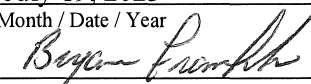
3 Inch Meters:

First 35,000 gallons	\$225.25 Minimum Bill
Next 15,000 gallons	\$0.00583 per gallon
Over 50,000 gallons	\$0.00515 per gallon

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DATE OF ISSUE June 19, 2023  
Month / Date / Year

DATE EFFECTIVE July 19, 2023  
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 \_\_\_\_\_

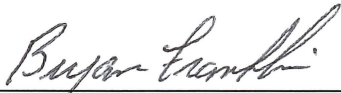
## RESOLUTION OF AUTHORIZATION

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, 2023 and the Louisville Water Company effective on July 1, 2023. 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 19, 2023. The rates proposed therein shall become effective for service rendered on or after July 19, 2023.

Action herein ordered shall be duly recorded in the minutes of this public meeting of the North Shelby Water Company held on this the 19<sup>th</sup> day of June 2023.

Ordered this the 19<sup>th</sup> day of June 2023.

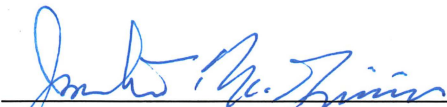
Signed:



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Bryan Franklin, President

Attest:



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Tom McGinnis Secretary/Treasurer