

Case No. 2024-00156

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

Name of Utility	North Nelson Water District	
Date	June 3, 2024	
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	\$ 2.72/1,000 Gallons	\$ 2.72/1,000 Gallons
Louisville Water Company	\$ 2.63/1,000 Gallons \$ 502.40/month	\$ 2.72/1,000 Gallons \$ 526.51/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 A

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 2023	through	April 2024
	(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	91,111,700
Louisville Water Company	225,492,000
TOTAL PURCHASES	316,603,700
4. Total gallons sold for the 12 month period	276,490,500
5. Increased water cost	\$ 20,583.60
<p>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 B</p>	
6. Purchased water adjustment factor	0.0744 Rounds to .08
<p>The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.</p> <p>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.</p>	
7. A schedule listing the current and proposed rates is attached as Exhibit E	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit F	
9. Proposed effective date	July 1, 2024
	
Signature of Utility Officer	
General Manager	
Title	

# **EXHIBIT LIST**

## **NORTH NELSON WATER DISTRICT- PURCHASED WATER ADJUSTMENT**

- A. Notice of Increased Rate from Louisville Water Company
- 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 Wholesale Rate Increase

# EXHIBIT A



March 11, 2024

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 6, 2024. We hope you found the information we shared beneficial.

As previously discussed at the above meeting, the proposed wholesale commodity charge effective July 1, 2024 will be \$2.19 per thousand gallons, plus an elevated service area surcharge of \$0.53 per thousand gallons, for a total wholesale rate of \$2.72 per thousand gallons. This represents a 3.4% 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 6, 2024.

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 29, 2024 to increase its rates for wholesale water service to North Nelson Water District effective July 1, 2024. 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	\$150.72	\$157.95	\$7.23	4.79%
6" Meter	\$351.68	\$368.56	\$16.88	4.79%
<b>Commodity Rate (per 1,000 gallons)</b>				
Volume Charge				
(per 1,000 gallons)	\$2.13	\$2.19	\$0.06	2.82%
Elevated Service Area Surcharge				
(per 1,000 gallons)	<u>0.50</u>	<u>0.53</u>	<u>0.03</u>	<u>6.0%</u>
Total Commodity Rate				
(per 1,000 gallons)	\$2.63	\$2.72	\$0.09	3.42%

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.

# EXHIBIT B



Rate Increase July 1, 2024

Cost Increase Calculation

Louisville Water Company

Current Rate

\$ 2.63/1,000 Gallons x 225,492,000 Gallons = \$ 593,043.96

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

Total Current Rate \$ 599,072.76

City of Bardstown

Current Rate

\$ 2.72/1,000 Gallons x 91,111,700 Gallons = \$ 247,823.82

Total Current Rate \$ 247,823.82





Louisville Water Company

New Rate

\$ 2.72/1,000 Gallons x 225,492,000 Gallons = \$ 613,338.24

\$ 526.51/month x 12 months = \$ 6,318.12

Total New Rate \$ 619,656.36

City of Bardstown

New Rate

\$ 2.72/1,000 Gallons x 91,111,700 Gallons = \$ 247,823.82

Total New Rate \$ 247,823.82

# EXHIBIT C



**Total Water Purchased at New Rate**

Louisville Water Company	\$ 619,656.36
<u>City of Bardstown</u>	<u>\$ 247,823.82</u>
<b>Total</b>	<b>\$ 867,480.18</b>

**Total Water Purchased at Current Rate**

Louisville Water Company	\$ 599,072.76
<u>City of Bardstown</u>	<u>\$ 247,823.82</u>
<b>Total</b>	<b>\$ 846,896.58</b>

**Cost Difference Between New Rate vs. Current Rate**

New Rate	\$ 867,480.18
<u>Current Rate</u>	<u>\$ 846,896.58</u>
<b>Total</b>	<b>\$ 20,583.60</b>



Purchased Water Adjustment Factor

Increased Cost of Water/Total Gallons Sold = PWA Factor

$\$20,583.60 / 276,490,500 = \$0.0744$  Rounds to  $\$0.08$

**North Nelson Water District  
 Louisville Water Co.  
 May 2023 through April 2024**

Type	Date	Name	Memo	Split
Check	04/23/2024	Louisville Water Co	9,791,000 Usage Cler 61000	Purchased Water
Check	04/23/2024	Louisville Water Co	5,367,000 Usage Brow 61000	Purchased Water
Check	03/22/2024	Louisville Water Co	11,914,000 usage Cler 61000	Purchased Water
Check	03/22/2024	Louisville Water Co	7,703,000 Usage Brow 61000	Purchased Water
Check	02/22/2024	Louisville Water Co	12,506,000 Usage Clei 61000	Purchased Water
Check	02/22/2024	Louisville Water Co	7,166,000 Usage Brow 61000	Purchased Water
Check	01/22/2024	Louisville Water Co	10,986,000 Usage Clei 61000	Purchased Water
Check	01/22/2024	Louisville Water Co	6,297,000 Usage Brow 61000	Purchased Water
Check	12/22/2023	Louisville Water Co	6,435,000 Usage Brow 61000	Purchased Water
Check	12/22/2023	Louisville Water Co	10,030,000 Usage Cler 61000	Purchased Water
Check	11/20/2023	Louisville Water Co	11,894,000 Usage Clei 61000	Purchased Water
Check	11/20/2023	Louisville Water Co	6,946,000 Usage Brow 61000	Purchased Water
Check	10/24/2023	Louisville Water Co	9,453,000 Usage Cler 61000	Purchased Water
Check	10/24/2023	Louisville Water Co	8,482,000 Usage Brow 61000	Purchased Water
Check	09/26/2023	Louisville Water Co	15,540,000 Usage Clei 61000	Purchased Water
Check	09/26/2023	Louisville Water Co	8,371,000 Usage Brow 61000	Purchased Water
Check	08/23/2023	Louisville Water Co	10,878,000 Usage Clei 61000	Purchased Water
Check	08/23/2023	Louisville Water Co	7,341,000 Usage Brow 61000	Purchased Water
Check	07/21/2023	Louisville Water Co	7,890,000 Usage Brow 61000	Purchased Water
Check	07/21/2023	Louisville Water Co	13,329,000 Usage Clei 61000	Purchased Water
Check	06/21/2023	Louisville Water Co	13,722,000 Usage - Cl 61000	Purchased Water
Check	06/21/2023	Louisville Water Co	7,718,000 Usage Brow 61000	Purchased Water
Check	05/18/2023	Louisville Water Co	5,605,000 usage Brow 61000	Purchased Water
Check	05/18/2023	Louisville Water Co	9,926,000 usage Cler 61000	Purchased Water

May '23 - Apr 24

**TOTAL GALLONS PURCHASED - 225,492,000**

North Nelson Water District  
 City of Bardstown  
 May 2023 through April 2024

Type	Date	Name	Memo	Split
May '23 - Apr 24				
Check	04/16/2024	City of Bardstown Utilities	6,456,600 Usage 2/2 61000	Purchased Water
Check	03/12/2024	City of Bardstown Utilities	6,592,300 Usage 1/1 61000	Purchased Water
Check	02/13/2024	City of Bardstown Utilities	6,068,900 Usage 12/1 61000	Purchased Water
Check	01/12/2024	City of Bardstown Utilities	7,262,900 Usage 11/1 61000	Purchased Water
Check	12/12/2023	City of Bardstown Utilities	7,375,700 Usage 10/1 61000	Purchased Water
Check	11/14/2023	City of Bardstown Utilities	7,002,600 Usage 9/2 61000	Purchased Water
Check	10/12/2023	City of Bardstown Utilities	6,469,600 usage 8/2 61000	Purchased Water
Check	09/12/2023	City of Bardstown Utilities	10,128,500 usage 7/1 61000	Purchased Water
Check	08/14/2023	City of Bardstown Utilities	7,816,300 Usage 6/2 61000	Purchased Water
Check	07/13/2023	City of Bardstown Utilities	9,730,500 Usage 5/1 61000	Purchased Water
Check	06/13/2023	City of Bardstown Utilities	7,549,600 usage 4/2 61000	Purchased Water
Check	05/11/2023	City of Bardstown Utilities	6,658,000 usage 3/2 61000	Purchased Water

May '23 - Apr 24

**TOTAL GALLONS PURCHASED - 91,111,700**

# EXHIBIT D



Total Gallons Sold

May 2023	20,239,300 Gallons
June 2023	25,428,300 Gallons
July 2023	26,957,000 Gallons
August 2023	25,997,800 Gallons
September 2023	26,744,000 Gallons
October 2023	25,017,800 Gallons
November 2023	22,794,700 Gallons
December 2023	20,220,700 Gallons
January 2024	20,231,400 Gallons
February 2024	23,175,600 Gallons
March 2024	20,716,200 Gallons
<u>April 2024</u>	<u>18,967,700 Gallons</u>
Total	<b>276,490,500 Gallons</b>



BILLING SUMMARY REPORT  
 SERVICE BY MASTER METER

MASTER METER	BILLS	CHARGES	USAGE
*****			
SERVICE: WATER			
2	7857	242724.68	398714
3	6923	199434.56	318055
4	12583	346524.80	544728
5	11722	348268.99	565018
6	21965	600295.21	938390
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SERVICE TOTALS:	61050	1737248.24	2764905 <sup>00</sup>
*****			
GRAND TOTALS:	61050	1737248.24	
*****			

For Reporting Period: 05/2023 TO 04/2024

\* End of Report: North Nelson Water District \*

# EXHIBIT E

## CUSTOMER NOTICE

Due to a rate increase from the 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 \$0.08 per 1,000 gallons used. The proposed change will be effective for service rendered on and after July 1, 2024.

### Monthly Water Rates

	<b>Current Rates</b>	<b>Proposed Rates</b>	<b>\$ Increase</b>	<b>% Increase</b>
First 2,000 gallons	\$16.05 Minimum Bill	\$16.21 Minimum Bill	\$0.16	1.01%
Next 3,000 gallons	.00485 per gallon	.00493 per gallon	\$0.00008	1.65%
Next 5,000 gallons	.00433 per gallon	.00441 per gallon	\$0.00008	1.85%
Over 10,000 gallons	.00398 per gallon	.00406 per gallon	\$0.00008	2.01%
Truck loading stations	.00766 per gallon	.00774 per gallon	\$0.00008	1.04%

The monthly bill for a residential customer using an average of 5,000 gallons per month will increase from \$30.60 to \$31.00. This is an increase of \$0.40 or 1.31%.

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. 2024-05-01**

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

**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 29, 2024 LWC filed an application with the Kentucky Public Service Commission (“PSC”) seeking to increase the wholesale water rate that LWC charges the District from \$2.63 to \$2.72 per 1,000 gallons and seeking to increase the monthly meter fees that LWC charges the District (See PSC Case TFS2024-00122), effective July 1, 2024;

**WHEREAS**, based upon the water purchases from LWC during the previous 12 months, the estimated annual increased cost to the District will be \$20,583.60

**WHEREAS**, prudent financial management dictates that the District take immediate action to adjust its retail rates commensurate with LWC’s wholesale rate increase; 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 wholesale rate increase 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 **\$0.08** per 1,000 gallons;

**Section 3.** All tiers of water usage set forth in the District's existing tariff shall be increased by **\$0.08** 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, 2024.

## 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 20, 2024, signed by the Chairman of the Commission, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 20th day of May, 2024.



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**Orville J. Stein, Jr., Secretary**

**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 20, 2024, signed by the Chairman, and attested by the Secretary.

ATTEST:

  
\_\_\_\_\_  
**Robert Cecil, Chairman**

  
\_\_\_\_\_  
**Orville J. Stein, Jr., Secretary**



# APPENDIX A

FOR Entire Service Area  
Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

Seventeenth Revised SHEET NO. 2

North Nelson Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

Sixteenth Revised SHEET NO. 2

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Rates and Charges

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**Monthly Water Rates**

**All Meter Sizes**

First 2,000 Gallons	\$ 16.21	Minimum Bill	(I)
Next 3,000 Gallons	0.00493	Per Gallon	(I)
Next 5,000 Gallons	0.00441	Per Gallon	(I)
Over 10,000 Gallons	0.00406	Per Gallon	(I)
Truck Loading Stations	0.00774	Per Gallon	(I)

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DATE OF ISSUE May 20, 2024  
Month / Date / Year

DATE EFFECTIVE July 1, 2024  
Month / Date / Year

ISSUED BY /s/Colin S. Cissell  
(Signature of Officer)

TITLE General Manager

By Authority Of Order Of The Public Service Commission

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_