

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF WEST SHELBY WATER)
DISTRICT FOR APPROVAL OF INCREASE IN) CASE NO. 2009-00454
RATES FOR WATER SERVICE)

ORDER

On January 28, 2010, West Shelby Water District ("West Shelby District") filed its application for an adjustment of its water rates. West Shelby District's proposed rates would increase annual operating revenues from water sales by \$19,334, an increase of approximately 1.6 percent over normalized revenues from water sales of \$1,196,175. West Shelby District proposed to allocate the increase equally to all customer classes. Under the proposed rates, the monthly bill for an average West Shelby District customer who uses 5,000 gallons of water monthly would increase \$2.56, from \$26.04 to \$28.60, or approximately 9.8 percent.

Commission Staff performed a limited financial review of West Shelby District's test-period operations. On March 26, 2010, the Commission released a report containing Commission Staff's findings and recommendations. In its report, Staff determined that, based upon West Shelby District's test-period operations, as adjusted for known and measurable changes, West Shelby District required annual revenue of \$1,228,573 from water sales to pay its operating expenses, meet its debt service obligations, and provide for future equity growth. Commission Staff recommended a schedule of rates that would increase the monthly bill for the average West Shelby

District customer who uses 5,000 gallons of water monthly by \$2.63 per month, from \$26.04 to \$28.67, or approximately 10.1 percent.

The Commission directed West Shelby District to file written comments regarding the Staff Report or any request for a hearing or an informal conference no later than April 9, 2010. On March 31, 2010, West Shelby District filed written notice of its agreement with the Commission Staff recommendations and requested that the Commission authorize its assessment of Commission Staff's recommended rates.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record and are reasonable.

2. West Shelby District's proposed water rates will not produce annual revenues from water sales that are sufficient to meet its operating expenses and debt service obligations and provide for future equity growth and should be denied.

3. The rates set forth in the Appendix to this Order will generate annual revenues of \$1,228,573 from water sales, are sufficient to meet West Shelby District's operating expenses and debt service obligations and to provide for future equity growth, and should be approved.

IT IS THEREFORE ORDERED that:

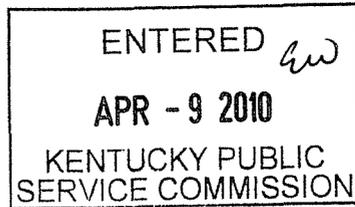
1. The recommendations and findings contained in the Staff Report are adopted and incorporated by reference into this Order as if fully set out herein.

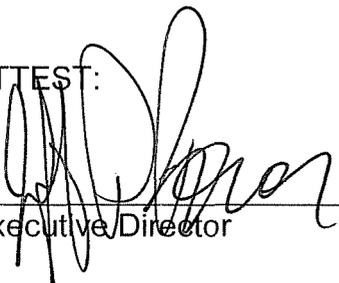
2. West Shelby District's proposed water rates are denied.

3. The rates set forth in the Appendix to this Order are approved for service that West Shelby District renders on and after the date of this Order.

4. Within 30 days of the date of this Order, West Shelby District shall file with the Commission its revised tariff setting out the rates approved herein.

By the Commission



ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2009-00454 DATED **APR - 9 2010**

The following rates are prescribed for the customers in the area served by West Shelby Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

5/8" Meters

First 2,500 gallons	\$16.62	per 1,000 gallons
Next 7,500 gallons	4.82	per 1,000 gallons
Next 20,000 gallons	4.50	per 1,000 gallons
Next 200,000 gallons	4.09	per 1,000 gallons
Over 230,000 gallons	3.68	per 1,000 gallons

3/4" Meters

First 3,500 gallons	\$21.44	per 1,000 gallons
Next 6,500 gallons	4.82	per 1,000 gallons
Next 20,000 gallons	4.50	per 1,000 gallons
Next 200,000 gallons	4.09	per 1,000 gallons
Over 230,000 gallons	3.68	per 1,000 gallons

1" Meters

First 5,000 gallons	\$28.67	per 1,000 gallons
Next 5,000 gallons	4.82	per 1,000 gallons
Next 20,000 gallons	4.50	per 1,000 gallons
Next 200,000 gallons	4.09	per 1,000 gallons
Over 230,000 gallons	3.68	per 1,000 gallons

1 1/2" Meters

First 10,000 gallons	\$52.77	per 1,000 gallons
Next 20,000 gallons	4.50	per 1,000 gallons
Next 200,000 gallons	4.09	per 1,000 gallons
Over 230,000 gallons	3.68	per 1,000 gallons

2" Meters

First 16,000 gallons	\$79.77	per 1,000 gallons
Next 14,000 gallons	4.50	per 1,000 gallons
Next 200,000 gallons	4.09	per 1,000 gallons
Over 230,000 gallons	3.68	per 1,000 gallons

3" Meters

First 30,000 gallons	\$142.77	per 1,000 gallons
Next 200,000 gallons	4.09	per 1,000 gallons
Over 230,000 gallons	3.68	per 1,000 gallons

4" Meters

First 50,000 gallons	\$224.57	per 1,000 gallons
Next 180,000 gallons	4.09	per 1,000 gallons
Over 230,000 gallons	3.68	per 1,000 gallons

6" Meters

First 100,000 gallons	\$429.07	per 1,000 gallons
Next 130,000 gallons	4.09	per 1,000 gallons
Over 230,000 gallons	3.68	per 1,000 gallons

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