

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF NORTH SHELBY WATER) CASE NO. 2010-00084
COMPANY)

O R D E R

On February 24, 2010, North Shelby Water Company (“North Shelby”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. North Shelby purchases water from the Frankfort Electric and Water Plant Board (“Frankfort”).

2. Frankfort reduced its wholesale rate to North Shelby per Commission Order in Case No. 2008-00250,² effective April 6, 2009, from \$1.822 per 1,000 gallons to \$1.704 per 1,000 gallons. Frankfort further refunded \$5,361.69 to North Shelby for charges resulting from Frankfort’s placing its proposed rates into effect prior to resolution of the case pursuant to KRS 278.190.

3. North Shelby proposed a purchased water adjustment factor of \$-0.05 per 1,000 gallons.

4. North Shelby proposed an effective date of March 1, 2010.

¹ KRS 278.015; 807 KAR 5:068.

² Case No. 2008-00250, Proposed Adjustment of the Wholesale Water Service Rates of Frankfort Electric and Water Plant Board (Ky. PSC Apr. 6, 2009).

5. North Shelby proposed to pass the refunded amount of \$5,361.69 from Frankfort to its customers over the next one-month billing cycle. North Shelby estimated the monthly sales to be 32,172,100 gallons and calculated the refund amount to be \$0.16 per 1,000 gallons for the one-month period.

6. During the 12 months ending February 28, 2010, North Shelby purchased a total of 174,062,100 gallons of water from Frankfort and sold a total of 378,545,300 gallons of water. The decrease in the cost of purchased water is \$20,539.33, resulting in a purchased water adjustment of \$-0.05 per 1,000 gallons.

7. A purchased water adjustment of \$-0.05 per 1,000 gallons is fair, just, and reasonable and should be approved.

8. The refund factor of \$0.16 per 1,000 gallons is fair, just and reasonable and should be approved.

IT IS HEREBY ORDERED that:

1. North Shelby's proposed rates are approved.

2. The purchased water adjustment decrease of \$-0.05 per 1,000 gallons as calculated in Appendix A is approved and the rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after March 1, 2010.

3. The refund factor of \$0.16 per 1,000 gallons as calculated in Appendix A is approved.

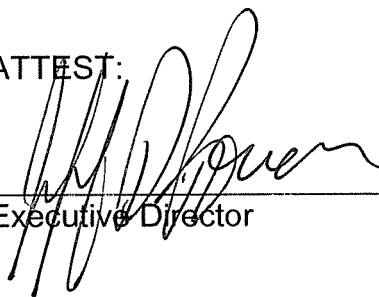
4. North Shelby shall credit its customers' accounts the amount resulting from the refund factor over the next monthly billing cycle.

5. North Shelby's tariff that was filed with the application is accepted as filed.

By the Commission

ENTERED
MAR 25 2010 *ew*
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00084 DATED **MAR 25 2010**

	Base Rate	New Rate
North Shelby		
Purchases in gallons		
Frankfort Electric and		
Water Plant Board	174,062,100	174,062,100
Volumetric Rate	\$1.822/1,000	\$1.704/1,000
	\$317,141.15	\$296,601.82
Decreased water cost		\$20,539.33
Decreased water cost		\$20,539.33
Divided by gallons sold		<u>378,545,300</u>
Purchased water adjustment increase factor		\$-0.05 per 1,000 gallons
Refund Amount		\$5,361.69
Divided by estimated sales		<u>32,172,100</u>
Divided by gallons sold		\$0.16 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00084 DATED **MAR 25 2010**

The following rates and charges are prescribed for the customers in the area served by North Shelby Water Company. 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.

Monthly Water Rates

5/8 x 3/4-Inch Meter

First	2,000 gallons	\$11.96	Minimum Bill
Next	3,000 gallons	4.86	per 1,000 gallons
Next	5,000 gallons	3.74	per 1,000 gallons
Next	40,000 gallons	3.18	per 1,000 gallons
Over	50,000 gallons	2.62	per 1,000 gallons

1-Inch Meter

First	5,000 gallons	\$26.54	Minimum Bill
Next	5,000 gallons	3.74	per 1,000 gallons
Next	40,000 gallons	3.18	per 1,000 gallons
Over	50,000 gallons	2.62	per 1,000 gallons

1 1/2-Inch Meter

First	10,000 gallons	\$45.24	Minimum Bill
Next	40,000 gallons	3.18	per 1,000 gallons
Over	50,000 gallons	2.62	per 1,000 gallons

2-Inch Meter

First	15,000 gallons	\$61.14	Minimum Bill
Next	35,000 gallons	3.18	per 1,000 gallons
Over	50,000 gallons	2.62	per 1,000 gallons

3-Inch Meter

First	35,000 gallons	\$124.74	Minimum Bill
Next	15,000 gallons	3.18	per 1,000 gallons
Over	50,000 gallons	2.62	per 1,000 gallons

Jerry Ruble
Chairman
North Shelby Water Company
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