

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED WATER	)	CASE NO.
ADJUSTMENT FILING OF WEST SHELBY WATER	)	2020-00184
DISTRICT	)	

ORDER

On June 5, 2020, West Shelby Water District (West Shelby District) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.<sup>1</sup>

In a review of the Commissions records from 1985 to the present dates, the Commission notes that its records indicate West Shelby District has not sought a general base rate adjustment since 2009. The lack of insight into West Shelby District's financial records indicates to the Commission that West Shelby District should file an application for a traditional adjustment in rates or an alternative rate adjustment within one year of the date of this Order to ensure its revenue is sufficient to support adequate and reliable service.

Having reviewed the record and being otherwise sufficiently advised, the Commission finds that:

1. West Shelby District purchases water from the Louisville Water Company (Louisville Water) and Shelbyville Municipal Water System (Shelbyville).
2. Louisville Water notified West Shelby that its monthly service charge would increase from \$1,364.88 per month to \$1,412.66 per month, and its volumetric wholesale

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<sup>1</sup> KRS 278.012; 807 KAR 5:068.

rate would increase from \$2.36 per 1,000 gallons to \$2.41 per 1,000 gallons effective July 1, 2020. West Shelby District proposes to increase the water rates to its customers effective July 1, 2020, to reflect the increased cost of purchased water from Louisville and Shelbyville.

3. West Shelby District proposed a purchased water adjustment factor of \$0.05 per 1,000 gallons in its application.

4. During the 12 months ended April 30, 2020, West Shelby District purchased 227,772,000 gallons of water from Louisville and 78,657,090 gallons of water from Shelbyville. During the same period, West Shelby District sold 283,627,300 gallons of water. The increase in the cost of purchased water is \$11,961.96, resulting in a purchased water adjustment factor of \$0.05 per 1,000 gallons.

5. In its application, West Shelby District incorrectly calculated the increase in the cost of purchased water.

6. The purchased water adjustment factor of \$0.05 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

7. West Shelby District's proposed rates are approved.

8. The rates as set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for water service rendered by West Shelby District on and after July 15, 2020.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.05 per 1,000 gallons is approved.

2. The rates proposed by West Shelby District are approved.
3. The rates as set forth in Appendix B to this Order are approved for water service rendered by West Shelby District on and after July 15, 2020.
4. Within 20 days of the date of entry of this Order, West Shelby District shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.
5. Within one year of the date of this Order, West Shelby District shall file an application for a traditional adjustment in rates or an alternative rate adjustment to ensure its revenue is sufficient to support adequate and reliable service.
6. This case is closed and removed from the Commission's docket.

By the Commission



ATTEST:

A handwritten signature in blue ink, consisting of stylized initials and a surname, positioned above a horizontal line.

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2020-00184 DATED JUN 15 2020

	Base Rate	New Rate	Increase
Louisville			
Monthly Service Charge	\$1,364.88/month	\$1,412.66/month	
	<u>X 12</u>	<u>X 12</u>	
	\$16,378.56	\$16,951.92	\$ 573.36
Purchases in Gallons	227,772,000	227,772,000	
Wholesale rate	<u>\$ 2.36/1,000</u>	<u>\$ 2.41/1,000</u>	
	\$ 537,541.92	\$548,930.52	\$ 11,388.60
Shelbyville			
Purchases in gallons	78,657,090	78,657,090	
Wholesale rate	<u>\$ 2.38/1,000</u>	<u>No Change</u>	
	\$ 187,203.87	\$ 187,203.87	
Increased water cost		\$ 11,961.96	
Increased water cost		\$ 11,961.96	
Divided by Gallons sold/1,000		<u>283,627,300</u>	
Purchased water adjustment factor		\$ 0.0422 per 1,000 Gallons	
		or \$ 0.05 per 1,000 Gallons	

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2020-00184 DATED JUN 15 2020

The following rates and charges 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 the authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8- x 3/4-Inch Meter

First	2,500 Gallons	\$18.37 Minimum Bill
Next	7,500 Gallons	5.51 per 1,000 Gallons
Next	20,000 Gallons	5.19 per 1,000 Gallons
Next	200,000 Gallons	4.78 per 1,000 Gallons
Over	230,000 Gallons	4.37 per 1,000 Gallons

3/4-Inch Meter

First	3,500 Gallons	\$ 23.87 Minimum Bill
Next	6,500 Gallons	5.51 per 1,000 Gallons
Next	20,000 Gallons	5.19 per 1,000 Gallons
Next	200,000 Gallons	4.78 per 1,000 Gallons
Over	230,000 Gallons	4.37 per 1,000 Gallons

1-Inch Meter

First	5,000 Gallons	\$ 32.11 Minimum Bill
Next	5,000 Gallons	5.51 per 1,000 Gallons
Next	20,000 Gallons	5.19 per 1,000 Gallons
Next	200,000 Gallons	4.78 per 1,000 Gallons
Over	230,000 Gallons	4.37 per 1,000 Gallons

1 1/2-Inch Meter

First	10,000 Gallons	\$ 59.65 Minimum Bill
Next	20,000 Gallons	5.19 per 1,000 Gallons
Next	200,000 Gallons	4.78 per 1,000 Gallons
Over	230,000 Gallons	4.37 per 1,000 Gallons

2-Inch Meter

First 16,000 Gallons  
Next 14,000 Gallons  
Next 200,000 Gallons  
Over 230,000 Gallons

\$ 90.77 Minimum Bill  
5.19 per 1,000 Gallons  
4.78 per 1,000 Gallons  
4.37 per 1,000 Gallons

3-Inch Meter

First 30,000 Gallons  
Next 200,000 Gallons  
Over 230,000 Gallons

\$ 163.40 Minimum Bill  
4.78 per 1,000 Gallons  
4.37 per 1,000 Gallons

4-Inch Meter

First 50,000 Gallons  
Next 180,000 Gallons  
Over 230,000 Gallons

\$ 258.95 Minimum Bill  
4.78 per 1,000 Gallons  
4.37 per 1,000 Gallons

5-Inch Meter

First 100,000 Gallons  
Next 130,000 Gallons  
Over 230,000 Gallons

\$ 497.82 Minimum Bill  
4.78 per 1,000 Gallons  
4.37 per 1,000 Gallons

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