

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF WEST SHELBY)	CASE NO.
WATER DISTRICT FOR A RATE ADJUSTMENT)	2021-00241
PURSUANT TO 807 KAR 5:076)	

ORDER

On August 2, 2021, West Shelby Water District (West Shelby District) filed an application with the Commission requesting to adjust its water rates pursuant to 807 KAR 5:076. To ensure the orderly review of the application, the Commission established a procedural schedule by Order dated August 10, 2021. On September 22, 2021, West Shelby District submitted its motion requesting an extension of time until October 22, 2021, to fully respond to Commission Staff's First Request for Information (Staff's First Request). By its Order dated October 6, 2021, the Commission granted West Shelby District's motion and amended the procedural schedule and extended the remaining deadlines.

LEGAL STANDARD

Alternative rate adjustment proceedings, such as this one, are governed by 807 KAR 5:076, which establishes a simplified process for small utilities to use to request rate adjustments, with the process designed to be less costly to the utility and to the utility ratepayers. The Commission's standard of review of a utility's request for a rate increase is well established. In accordance with KRS 278.030 and case law, West Shelby District

is allowed to charge its customers “only ‘fair, just and reasonable rates.’”¹ Further, West Shelby District bears the burden of proof to show that the proposed rate increase is just and reasonable, under KRS 278.190(3).

BACKGROUND

West Shelby District, a water district organized pursuant to KRS Chapter 74, provides water service to approximately 2,335 residential, commercial, and industrial customers in Shelby County, Kentucky.²

In its application, West Shelby District requested water rates that would increase annual revenues from water sales by \$218,838, or 13.65%.³ The water rates requested by West Shelby District would increase the monthly water bill of a typical residential customer using 5,200 gallons per month by \$4.58, from \$33.51 to \$38.09, or approximately 13.68 percent.⁴

On January 6, 2022, Commission Staff issued its report (Staff Report) summarizing its findings. Commission Staff found that West Shelby District’s adjusted test-year water operating revenues and expenses support an Overall Revenue Requirement of \$1,761,097.⁵ In order to achieve Commission Staff’s Overall Revenue Requirement, the

¹ *City of Covington v. Public Service Commission*, 313 S.W.2d 391 (Ky. 1958); and *Pub. Serv. Comm’n v. Com. of Kentucky v. Dewit Water District*, 720 S.W.2d 725 (Ky. 1986).

² *Annual Report of West Shelby Water District Water Division to the Public Service Commission for the Calendar Year Ended December 31, 2020* (2020 Water Division Annual Report) at 12 and 49.

³ Application, Attachment 5, Revenue Requirement Calculation – Debt Service Method.

⁴ *Id.*, Attachment 1, Customer Notice.

⁵ Staff Report Summary of Findings at 3–4.

water division would require an annual increase in revenue from water rates of \$155,549, or 9.69 percent.⁶

On January 19, 2022, West Shelby District filed with the Commission its comments in response to the January 6, 2022, Staff Report.⁷ In its response to Staff Report, West Shelby District disagreed with Commission Staff's removal of labor expenses from its Nonrecurring Charges (NRC) and to Commission Staff's adjustments to test-year Employee Pension and Benefits stating that in today's challenging labor market, it is difficult to compete with private industries for qualified employees.⁸ Although West Shelby District did not agree with Staff's removal of labor expenses from its NRC's or with the employee benefit adjustments, West Shelby District did not wish to contest these issues in this instant case.⁹ West Shelby District argued that its failure to object to Commission Staff's adjustments to either NRC's or employee benefits, should not be construed as a waiver of West Shelby District's right to contest similar findings in a future rate proceeding.¹⁰ West Shelby District also waived its right to request an informal conference or a formal hearing conditioned on the Commission's acceptance of the water rates recommended by Commission Staff in its report.¹¹

WATER LOSS

⁶ *Id.*

⁷ West Shelby District's Response to the Staff Report.

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

Pursuant to 807 KAR 5:066, Section (6)3, water loss is limited to 15 percent for ratemaking purposes. As noted in the Staff Report, West Shelby District reported a water loss of 9.43 percent in its 2020 Annual Report.¹² At a 9.43 percent water loss, the annual cost to West Shelby District is \$72,241.¹³ The Commission commends West Shelby District for maintaining a water loss percentage below the 15 percent unaccounted-for water loss threshold. The Commission encourages West Shelby District to continue to make water loss management a priority and maintain its diligence in keeping future water loss percentages below the 15 percent limitation.

RATE CASE FREQUENCY

In Case No. 2019-00041 and the resulting investigative report, the Commission discusses the problems that can occur when utilities intentionally avoid a review of their financial records.¹⁴ A key recommendation from that investigative report was that water districts should monitor the sufficiency of their base rates closely and, in general, apply for base rate adjustments on a more frequent basis.¹⁵ In light of its findings in Case No. 2019-00041, the Commission noted in Case No. 2020-00184¹⁶ that West Shelby District had not sought a general base rate adjustment since 2009.¹⁷ This lack of insight into West Shelby District's financial records was the basis for the Commission's requirement

¹² Staff Report at 1–2.

¹³ *Id.*

¹⁴ See Case No. 2019-00041, *Electronic Investigation into Excessive Water Loss by Kentucky's Jurisdictional Water Utilities* (Ky. PSC. Nov. 22, 2019)

¹⁵ *Id.*

¹⁶ See Case No. 2020-00184, *Electronic Purchased Water Adjustment Filing of West Shelby Water District* (Ky. PSC June 15, 2020).

¹⁷ See Case No. 2009-00454, *Application of West Shelby Water District for Approval of Increase in Rates for Water Service* (Ky. PSC May 9, 2010).

that West Shelby District file an application by June 15, 2021, for either a traditional adjustment in rates or for an alternative rate adjustment to ensure its revenue is sufficient to support adequate and reliable service.¹⁸

The Commission recommends that West Shelby District conduct internal financial reviews on an annual basis to insure that its water rates are sufficient. The Commission also recommends that West Shelby District's Board of Commissioners consider filing periodic rate cases with the Commission every three to five years and implement a written policy to that effect to maintain a regular review of the utility's finances. These are good practices to insure that there is not a 12-year gap between base rate cases in the future. If West Shelby District needs assistance in conducting its annual internal rate reviews to ensure the sufficiency of its rates, West Shelby District can request the Commission to allow its Financial Analysis Staff to provide its assistance with the annual rate analysis.

TEST PERIOD

The calendar year ended December 31, 2020, was used as the test year to determine the reasonableness of West Shelby District's existing and proposed water rates as required by 807 KAR 5:076, Section 9.

SUMMARY OF REVENUE AND EXPENSES

The Staff Report summarizes West Shelby District's pro forma income statement as follows:¹⁹

¹⁸ *Id.*

¹⁹ See Appendix B for a complete pro forma income statement.

	Test Year Operations	Staff Report Pro Forma Adjustments	Staff Report Pro Forma Operations
Operating Revenues	\$ 1,672,329	\$ 25,922	\$ 1,698,251
Operating Expenses	<u>2,072,232</u>	<u>(179,056)</u>	<u>1,764,781</u>
Net Utility Operating Income	<u>\$ (399,903)</u>	<u>\$ 204,978</u>	<u>\$ (66,530)</u>

REVENUE REQUIREMENT ADJUSTMENTS

Billing Analysis. In the Staff Report, Commission Staff recommended the Commission accept West Shelby District's proposed increase of \$31,697 based on West Shelby District's current billing analysis.²⁰ The Commission finds that this adjustment is reasonable as an examination of West Shelby District's billing analysis was completed by Commission Staff and a normalized revenue was based on the information provided.

Miscellaneous Service Revenue. In the Staff Report, Commission Staff discussed West Shelby District's NRC's,²¹ in which estimated labor costs, previously included in determining the amount of NRC's, are removed. In its response to the Staff Report, West Shelby District disagreed with the removal of labor expenses from its NRC's but did not wish to contest the adjustments in this case.²² Commission Staff recommended a reduction to West Shelby District's test-year other water revenues of \$5,775 to reflect the

²⁰ Staff Report at 7, Adjustment A.

²¹ *Id.*, Adjustment B.

²² West Shelby District's Responses to the Staff Report.

change in the nonrecurring charges.²³ The Commission finds that this adjustment is known and measurable,²⁴ is reasonable, and should be accepted.

Employee Salaries and Wages. In the Staff Report, Commission Staff recommended the Commission increase pro forma salaries and wages by \$9,451 to reflect West Shelby District's current staff level of six full-time employees, the hours that each employee worked in the test year, and the 2021 employee wage rates.²⁵ The Commission finds that the Commission Staff's adjustment meets the ratemaking criteria of being known and measurable, is reasonable, and should be accepted.

Capitalized Labor – Meter Sets. In the Staff Report, Commission Staff recommended the Commission decrease West Shelby District's Employee Salaries and Wages expense by \$5,058 to eliminate the cost of the capital labor for the installation of the meters from Commission Staff's recommended pro forma operating expenses.²⁶ The Commission finds that the Commission Staff's adjustment meets the ratemaking criteria of being known and measurable, is reasonable, and should be accepted.

Employee Pension and Benefits. In the Staff Report, Commission Staff recommended a decrease to West Shelby District Employee Pensions and Benefits of

²³ Staff Report at 7, Adjustment B.

²⁴ See 807 KAR 5:001, Section 16.1.(a); Case No. 2001-00211, *The Application of Hardin County Water District No. 1 for (1) Issuance of Certificate of Public Convenience and Necessity; (2) Authorization to Borrow Funds and to Issue Its Evidence of Indebtedness Therefor; (3) Authority to Adjust Rates; and (4) Approval to Revise and Adjust Tariff* (Ky. PSC Mar. 1, 2002); Case No. 2002-00105, *Application of Northern Kentucky Water District for (A) an Adjustment of Rates; (B) a Certificate of Public Convenience and Necessity for Improvements to Water Facilities if Necessary; and (C) Issuance of Bonds* (Ky. PSC June 25, 2003); Case No. 2017-00417, *Electronic Proposed Adjustment of the Wholesale Water Service Rates of Lebanon Water Works* (Ky. PSC July 12, 2018); and Case No. 2019-00080, *Electronic Proposed Adjustment of the Wholesale Water Service Rates of the City of Pikeville to Mountain Water District* (Ky. PSC Dec. 19, 2019).

²⁵ Staff Report at 7–8, Adjustment C.

²⁶ *Id.* at 9, Adjustment D.

\$20,908.²⁷ Commission Staff's recommended adjustment reflects reducing the Single Health Insurance premiums paid by West Shelby District from 100 percent to 78 percent and reducing Family Health insurance premiums from 100 percent to 66 percent.²⁸ In addition, the proposed adjustment reflects the reduction of Dental and Vision Insurance premiums paid by West Shelby District from 100 percent to 60 percent.²⁹ The Commission finds that the adjustment proposed by Commission Staff meets the criteria formerly set by the Commission, is known and measurable, and should be accepted.

County Employee Retirement System (CERS). In the Staff Report, Commission Staff recommended that Employee Pensions and Benefits expense be decreased by \$89,749 to reflect applying the 26.95 percent employer CERS contribution rate to the pro forma employee salaries and wages expense for full-time employees of \$255,237.³⁰ The Commission finds, based on the evidence of record, the adjustment proposed by Staff accurately reflects the level of CERS retirement expense that will decrease as a result of the pro forma Employee Salary and Wage expense the Commission found reasonable herein and is accepted.

Purchased Water. In the Staff Report, Commission Staff recommended an increase in Purchased Water expense of \$17,184.³¹ Commission Staff's recommended adjustment reflects the actual test-year water purchases from Louisville Water Company of 230,783,000 gallons, the current wholesale volumetric rate of \$0.00246 per gallon, and

²⁷ *Id.* at 9–12, Adjustment E.

²⁸ *Id.* at 11.

²⁹ *Id.*

³⁰ *Id.* at 12–13, Adjustment F.

³¹ *Id.* at 13–14, Adjustment G.

the current monthly service charge of \$1,462.³² The Commission finds that Commission Staff's adjustment meets the known and measurable criteria, is reasonable, and should be accepted.

Materials and Supplies. In the Staff Report, Commission Staff reduced Materials and Supplies expense by \$11,200 and increased depreciation expense by \$243.³³ Commission Staff's adjustments reflect removing capital expenditures from test-year operating expenses and depreciating them over their estimated useful lives.³⁴ In keeping with Commission precedent, Commission Staff depreciated the capital expenditures over the mid-point of the depreciation live ranges contained in the report published in 1979 by the National Association of Regulatory Utility Commissioners (NARUC) titled Depreciation Practices for Small Water Utilities (NARUC Study).³⁵ The Commission finds Commission Staff's adjustments to Materials and Supplies expense and Depreciation expense are reasonable and should be accepted.

Contractual Services. In the Staff Report, Commission Staff reduced Contractual Services expense by \$9,750 and increased Amortization expense by \$3,250.³⁶ In the test-year, West Shelby District had expensed legal fees that were incurred to negotiate a water purchase agreement.³⁷ Commission Staff concluded that the legal fees represent

³² *Id.* at 14.

³³ *Id.* at 14–15, Adjustment H.

³⁴ *Id.*

³⁵ See Case No. 2016-00163, *Alternative Rate Adjustment Filing of Marion County Water District* (Ky. PSC Nov. 10, 2016); Case No. 2020-00141, *Electronic Application of Hyden-Leslie County Water District for an Alternative Rate Adjustment* (Ky. PSC Nov. 6, 2020); and Case No. 2020-00311, *Electronic Application of Cawood Water District for an Alternative Rate Adjustment* (Ky. PSC Apr. 8, 2021).

³⁶ *Id.* at 15–16, Adjustment I.

³⁷ *Id.*

a nonrecurring expenditure that should be removed from operating expenses for ratemaking purposes and amortized over their estimated useful life.³⁸ Commission Staff recommended that the \$9,750 of nonrecurring legal fees should be amortized over three years.³⁹

The Commission finds that the Commission Staff's proposed adjustments to Contractual Services expense and Amortization expense should be denied. The Commission encourages West Shelby District and similar water utilities to seek regular and reasonable legal advice as a good business practice. Utilizing the aid of legal counsel on a regular basis supports better compliance with regulatory directives. Water district boards should consider the value of having attorneys attend monthly board meetings, review contracts, and assist with filing reviews. The reasonable use of legal assistance will be considered by the Commission as part of the cost of operating a viable utility for ratemaking purposes. Therefore, the Commission finds that the contract legal fees of \$9,700 should not be amortized and should be expensed in the year incurred.

Miscellaneous. West Shelby District discovered that it had incorrectly recorded the payment of its \$3,462 Public Service Commission Assessment (PSC Assessment) in the Miscellaneous expense account.⁴⁰ West Shelby District proposed to correct its error by moving the misclassified PSC Assessment from Miscellaneous expense to Regulatory Commission expense.⁴¹ Commission Staff also determined that West Shelby District had

³⁸ *Id.*

³⁹ *Id.*

⁴⁰ Application, Attachment 4, References, Ref. D.

⁴¹ *Id.*

misclassified its Federal Insurance Contributions Act Taxes (FICA Tax) of \$18,365 in West Shelby District's Miscellaneous expense account.⁴² To correct West Shelby District's misclassification errors, Commission Staff reduced Miscellaneous expense by \$21,827, increased Regulatory Commission expense by \$3,462, and is increased Payroll Tax expense by \$18,365.⁴³ The Commission finds that the operating expense reclassification adjustments should be accepted as they meet the ratemaking criteria of being known and measurable and are reasonable.

Depreciation. In the Staff Report, Commission Staff recommended an adjustment decreasing test-year Depreciation expense of \$560,710 by \$202,075 in keeping with Commission precedent of using NARUC Study depreciable life midpoint when no evidence exists to support a specific life that is outside the NARUC ranges.⁴⁴ The Commission finds that this adjustment is reasonable and should be accepted as it is consistent with Commission precedent.

Taxes Other Than Income–Payroll Taxes. In the Staff Report, Commission Staff recommended that West Shelby District's test-year Payroll Tax expense of \$18,365 be increased by \$1,161 to reflect Staff's adjustments to Salaries and Wages Expense.⁴⁵ The Commission finds, based on the evidence of record, the adjustment proposed by Commission Staff accurately reflects the level of payroll tax expense that will increase as

⁴² Staff Report at 16, Adjustment J.

⁴³ *Id.*

⁴⁴ *Id.* at 16–17, Adjustment K.

⁴⁵ *Id.* at 17–18, Adjustment L.

a result of the pro forma Employee Salary and Wage expense the Commission found reasonable herein and is accepted.

Based on the Commission’s findings discussed above, the following table summarizes West Shelby District’s adjusted Pro Forma operations:⁴⁶

	Staff Report Pro Forma Operations	Commission Pro Forma Adjustments	Final Pro Forma Operations
Operating Revenues	\$ 1,698,251	\$ -	\$ 1,698,251
Operating Expenses	<u>1,764,781</u>	<u>6,500</u>	<u>1,771,281</u>
Net Utility Operating Income	<u>\$ (66,530)</u>	<u>\$ (6,500)</u>	<u>\$ (73,030)</u>

REVENUE REQUIREMENT

Based upon the Commission’s findings and determinations herein, West Shelby District requires an increase in revenues of \$162,049, or 10.09 percent above pro forma present rate revenues as shown below. This increase is required for West Shelby District to remain operational and financially sound and have an opportunity to provide adequate, efficient, and reasonable service to its customers.⁴⁷

⁴⁶ See Appendix B for a complete pro forma income statement.

⁴⁷ KRS 278.030(2).

	Revenue Requirement		
	Staff Report	Order Adjustments	Order
Pro Forma Operating Expenses	\$ 1,764,781	\$ 6,500	\$ 1,771,281
Plus: Average Annual Debt Service	88,108		88,108
Debt Service Coverage Requirement	17,622		17,622
Overall Revenue Requirement	1,870,511	6,500	1,877,011
Less: Other Operating Revenue	(10,756)		(10,756)
Fire Protection Revenue	(81,947)		(81,947)
Interest Income	(16,711)		(16,711)
Revenue Required from Water Sales	1,761,097	6,500	1,767,597
Less: Normalized Revenues from Water Sales	(1,605,548)	0	(1,605,548)
Required Revenue Increase/(Decrease)	\$ 155,549	\$ 6,500	\$ 162,049
Percentage Increase	9.69%		10.09%

RATE DESIGN

West Shelby District proposed to increase all of its monthly retail water service rates evenly across the board by approximately 13.65 percent. West Shelby District has not performed a Cost of Service Study (COSS). West Shelby District stated that it did not complete a COSS at this time as there has not been any material change in the water system to warrant a COSS.⁴⁸ The Commission finds that the allocation of a revenue increase evenly across the board to a utility's rate design is appropriate when there has been no evidence entered into the record demonstrating that this method is unreasonable and in the absence of a COSS. In the Staff Report, Commission Staff followed the method proposed by West Shelby District and allocated Commission Staff's calculated revenue increase across the board to West Shelby District's monthly retail water service rates.

The rates set forth in Appendix B to this Order are based upon the revenue requirement the Commission has found to be fair, just and reasonable and will produce sufficient revenues from water sales to recover the \$1,767,597 Revenue Required from

⁴⁸ West Shelby District's Responses to Staff's First Request (filed Oct. 22, 2021), Item 2.

Rates, an approximate 10.09 percent increase.⁴⁹ These rates will increase the monthly bill of a typical residential customer using 5,200 gallons a month from \$33.51 to \$36.89, an increase of \$3.38, or approximately 10.09 percent.⁵⁰

SUMMARY

After consideration of the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. The findings contained in the Staff Report are supported by the evidence of record and are reasonable.
2. The water service rates proposed by West Shelby District in its application should be denied.
3. The water service rates set forth in Appendix A to this Order are fair, just and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The findings contained in the Staff Report are adopted and incorporated by reference into this Order as if fully set out herein.
2. The rates originally proposed by West Shelby District are denied.
3. The rates set forth in Appendix A to this Order are approved for services rendered by West Shelby District on and after the date of this Order.
4. Within 20 days of the date of entry of this Order, West Shelby District shall file with this Commission, using the Commission's electronic Tariff Filing System, new

⁴⁹ Staff Report at 4.

⁵⁰ *Id.*

tariff sheets setting forth the rates and charges approved herein and their effective date and stating that the rates and charges were authorized by this Order.

5. This case is closed and removed from the Commission's docket.

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By the Commission

ENTERED
FEB 24 2022 rCS
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00241 DATED FEB 24 2022

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-inch Meter

First	2,500 Gallons	\$20.37 Minimum Bill
Next	7,500 Gallons	0.00612 Per Gallon
Next	20,000 Gallons	0.00577 Per Gallon
Next	200,000 Gallons	0.00532 Per Gallon
Over	230,000 Gallons	0.00487 Per Gallon

3/4-inch Meter

First	3,500 Gallons	\$26.48 Minimum Bill
Next	6,500 Gallons	0.00612 Per Gallon
Next	20,000 Gallons	0.00577 Per Gallon
Next	200,000 Gallons	0.00532 Per Gallon
Over	230,000 Gallons	0.00487 Per Gallon

1-inch Meter

First	5,000 Gallons	\$35.63 Minimum Bill
Next	5,000 Gallons	0.00612 Per Gallon
Next	20,000 Gallons	0.00577 Per Gallon
Next	200,000 Gallons	0.00532 Per Gallon
Over	230,000 Gallons	0.00487 Per Gallon

1 1/2-inch Meter

First	10,000 Gallons	\$66.22 Minimum Bill
Next	20,000 Gallons	0.00577 Per Gallon
Next	200,000 Gallons	0.00532 Per Gallon
Over	230,000 Gallons	0.00487 Per Gallon

2-inch Meter

First 16,000 Gallons	\$100.81 Minimum Bill
Next 14,000 Gallons	0.00577 Per Gallon
Next 200,000 Gallons	0.00532 Per Gallon
Over 230,000 Gallons	0.00487 Per Gallon

3-inch Meter

First 30,000 Gallons	\$181.54 Minimum Bill
Next 200,000 Gallons	0.00532 Per Gallon
Over 230,000 Gallons	0.00487 Per Gallon

4-inch Meter

First 50,000 Gallons	\$287.83 Minimum Bill
Next 180,000 Gallons	0.00532 Per Gallon
Over 230,000 Gallons	0.00487 Per Gallon

5-inch Meter

First 100,000 Gallons	\$553.55 Minimum Bill
Next 130,000 Gallons	0.00532 Per Gallon
Over 230,000 Gallons	0.00487 Per Gallon

Nonrecurring Charges

Service Reconnection Charge	\$8.00
Service Reconnection Charge (After Hours)	\$58.00
Meter Reading Re-check Charge	\$8.00
Meter Test Charge	\$42.00
Returned Check Charge	\$15.00
Inspection of Service Line	\$0.00

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00241 DATED FEB 24 2022

Detailed Pro Forma Income Statement

	Test Year Operations	Staff Report Pro Forma Adjustments	Staff Report Pro Forma Operations	Commission Pro Forma Adjustments	Final Pro Forma Operations
Operating Revenues:					
Total Metered Sales	\$ 1,573,851	\$ 31,697	\$ 1,605,548	\$ -	\$ 1,605,548
Fire Protection Revenue	81,947		81,947		81,947
Total Revenue - Water Sales	1,655,798	31,697	1,687,495	0	1,687,495
Other Water Revenues:					
Forfeited Discounts	2,490		2,490		2,490
Misc. Service Revenues	14,041	(5,775)	8,266	0	8,266
Total Other Operating Revenue	16,531	(5,775)	10,756	0	10,756
Total Operating Revenues	1,672,329	25,922	1,698,251	0	1,698,251
Operating Expenses:					
Operation and Maintenance:					
Salaries and Wages - Employees	245,786	9,451			
		(5,058)	250,179		250,179
Salaries and Wages - Officers	18,000		18,000		18,000
Employee Pensions and Benefits	260,544	(20,908)			
		(89,749)	149,887		149,887
Purchased Water	741,625	17,184	758,809		758,809
Purchased Power	28,476		28,476		28,476
Materials and Supplies	114,526	(11,200)	103,326		103,326
Contractual Services	28,200	(9,750)	18,450	9,750	28,200
Rent	3,454		3,454		3,454
Transportation Expenses	13,369		13,369		13,369
Insurance	28,728		28,728		28,728
Regulatory Commission Expense		3,462	3,462		3,462
Miscellaneous Expenses	28,814	(21,827)	6,987		6,987
Total Operation and Mnt. Expenses	1,511,522	(128,395)	1,383,127	9,750	1,392,877
Depreciation Expense	560,710	243			
		(202,075)	358,878		358,878
Amortization Expense		3,250	3,250	(3,250)	0
Taxes Other Than Income		18,365			
		1,161	19,526		19,526
Total Operating Expenses	2,072,232	(179,056)	1,764,781	6,500	1,771,281
Net Utility Operating Income	\$ (399,903)	\$ 204,978	\$ (66,530)	\$ (6,500)	\$ (73,030)

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