

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
NEBO WATER DISTRICT) CASE NO. 94-015

O R D E R

On January 10, 1994, Nebo Water District ("Nebo") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

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

1. Nebo purchases water from the city of Madisonville, Kentucky ("Madisonville").

2. Effective January 1, 1994, Madisonville will decrease its rates for wholesale water from \$1.77 per 1,000 gallons to \$1.54 per 1,000 gallons.

3. Nebo proposed to decrease the rates to its customers effective February 15, 1994. The Commission is of the opinion that the effective date of the proposed decreased rates should coincide with the effective date of Madisonville's wholesale rates; therefore, the effective date proposed by Nebo should be changed. The effective date of the rates proposed by Nebo should be January 1, 1994.

4. During the 12 months ending December 31, 1993, Nebo purchased 88,994,000 gallons of water and sold 77,216,000 gallons.

5. Nebo's calculations are correct and show a decrease in purchased water cost of \$20,468.62, resulting in a purchased water adjustment decrease of \$.27 per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, monthly bills to Nebo customers will decrease from \$25.75 to \$24.40, a decrease of 5.2 percent.

6. The purchased water adjustment decrease of \$.27 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The effective date of February 15, 1994 for the proposed decrease in rates by Nebo is hereby denied.

2. The rates proposed by Nebo are incorrect insofar as the wrong factor was used in calculating the minimum charge for 5/8 inch x 3/4 inch connection; therefore, the proposed rates are hereby denied.

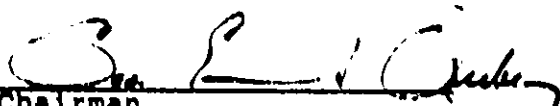
3. The purchased water adjustment of \$.27 per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after January 1, 1994.

4. Within 30 days of the date of this Order, Nebo shall file revised tariff sheets setting out the rates approved herein.

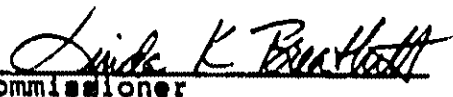
5. Within 30 days of the date of this Order, Nebo shall file verification that the notice to its customers has been given.

Done at Frankfort, Kentucky, this 7th day of February, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 94-015 DATED February 7, 1994.

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

MINIMUM WATER RATES BASED ON SIZE CONNECTIONS

<u>Size of Water Meter Connection</u>	<u>Number of Gallons or Less of Water Per Month to be Provided for the Minimum Rate</u>	<u>Minimum Monthly Water Rate Per Connection</u>
5/8 Inch x 3/4 Inch	2,000 Gallons	\$ 10.76
1 Inch	4,000 Gallons	20.52
1-1/2 Inch	10,000 Gallons	43.80
2 Inch	20,000 Gallons	77.60
3 Inch	30,000 Gallons	106.40

METER RATES FOR WATER USAGE IN ADDITION TO MINIMUM CHARGE

Subject to the minimum monthly water rate specified above, the following metered charges shall be made for water consumption per month to customers of all size connections:

<u>Number of Gallons of Water Per Month</u>	<u>Monthly Charge Per 1,000 Gallons</u>
First 2,000	\$10.76 (Minimum Charge)
Next 2,000	4.88
Next 6,000	3.88
Next 10,000	3.38
All over 20,000	2.88