

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
NEBO WATER DISTRICT)

CASE NO. 2000-038

O R D E R

On January 24, 2000, Nebo Water District ("Nebo") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

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

1. Nebo purchases its water from the city of Madisonville, Kentucky ("Madisonville").
2. Madisonville decreased its wholesale water rate to \$1.56 from \$1.86 per thousand gallons.
3. During the 12 months ending December 1999, Nebo purchased 100,769,000 gallons of water from Madisonville and sold 88,143,000 gallons.
4. The decrease in the cost of purchased water is \$30,231, resulting in a purchased water adjustment of 34 cents per 1,000 gallons of water. Based on a monthly usage of 5,000 gallons, the average residential bill of a Nebo customer would decrease \$1.70, from \$26.20 to \$24.50, or 6.49 percent.
5. Nebo's calculations and proposed tariff are correct and should be approved.

6. The purchased water adjustment of 34 cents 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 purchased water adjustment of 34 cents per 1,000 gallons and the rates in Appendix A are approved for bills issued on and after March 1, 2000.

2. Nebo's proposed tariff is hereby accepted as filed.

Done at Frankfort, Kentucky, this 23rd day of February, 2000.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2000-038 DATED FEBRUARY 23, 2000

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 the Commission prior to the effective date of this Order.

MONTHLY WATER RATES

First	2,000 Gallons	\$10.80	Minimum Bill
Next	2,000 Gallons	4.90	Per 1,000 Gallons
Next	6,000 Gallons	3.90	Per 1,000 Gallons
Next	10,000 Gallons	3.40	Per 1,000 Gallons
Over	20,000 Gallons	2.90	Per 1,000 Gallons

MINIMUM BILLS

5/8 Inch X 3/4 Inch	\$10.80	First	2,000 Gallons
1 Inch	20.60	First	4,000 Gallons
1-1/2 Inch	44.00	First	10,000 Gallons
2 Inch	78.00	First	20,000 Gallons
3 Inch	107.00	First	30,000 Gallons