

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	CASE NO.
OF NEBO WATER DISTRICT)	2003-00014

O R D E R

On January 13, 2002, 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 water from the city of Madisonville (Madisonville).
2. Madisonville notified Nebo that effective with its February 1, 2003 billing its wholesale water rate would decrease from \$1.94 per 1,000 gallons to \$1.89 per 1,000 gallons. Nebo proposes to decrease the water rates to its customers effective February 1, 2003.
3. During the 12 months ending December 31, 2002, Nebo purchased 103,020,000 gallons of water from Madisonville and sold 88,812,000 gallons. The decrease in the cost of purchased water is \$5,151, resulting in a purchased water adjustment decreasing Nebo s water rates by \$0.06 per 1000 gallons.
4. The purchased water adjustment decreasing Nebo s water rates by \$0.06 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

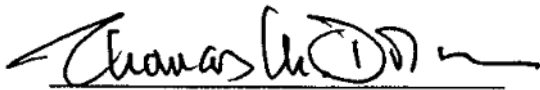
1. The purchased water adjustment decreasing Nebo's water rates by \$0.06 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after February 1, 2003.

2. The proposed tariff sheets filed by Nebo are approved as filed.

Done at Frankfort, Kentucky, this 30th day of January, 2003.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Charles H. [unclear]", written over a horizontal line.

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2003-00014 DATED January 30, 2003

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	\$11.56	Minimum Bill
Next	2,000 Gallons	5.28	Per 1,000 Gallons
Next	6,000 Gallons	4.28	Per 1,000 Gallons
Next	10,000 Gallons	3.78	Per 1,000 Gallons
Over	20,000 Gallons	3.28	Per 1,000 Gallons

MINIMUM BILLS

5/8 Inch X 3/4 Inch	\$11.56	First 2,000 Gallons
1 Inch	22.12	First 4,000 Gallons
1-1/2 Inch	47.80	First 10,000 Gallons
2 Inch	85.60	First 20,000 Gallons
3 Inch	118.40	First 30,000 Gallons
4 Inch	184.00	First 50,000 Gallons