

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT) CASE NO.
OF NORTH MCLEAN COUNTY WATER DISTRICT) 2008-00063

ORDER

On February 21, 2008, North McLean County Water District (“North McLean”) 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. North McLean purchases water from West Daviess County Water District (“West Daviess”) and the cities of Calhoun and Livermore.
2. West Daviess notified North McLean that, effective with its March 10, 2008 billing, West Daviess’s wholesale rate to North McLean would increase from \$2.13 per 1,000 gallons to \$2.80 per 1,000 gallons.
3. On February 18, 2008, North McLean’s Board of Commissioner’s authorized new rates for water service, effective March 10, 2008, that would reflect the increase in its wholesale supplier’s rate.
4. North McLean adopted a purchased water adjustment factor of \$0.08 per 1,000 gallons.
5. During the 12 months period ending December 2007, North McLean purchased 13,708,500 gallons from West Daviess, 110,327,000 gallons from the city of

Calhoun, 2,643,400 gallons from the city of Livermore, and it sold 114,847,500 gallons. The increase in the cost of purchased water is \$9,184.70, resulting in a purchased water adjustment factor of \$0.08 per 1,000 gallons.

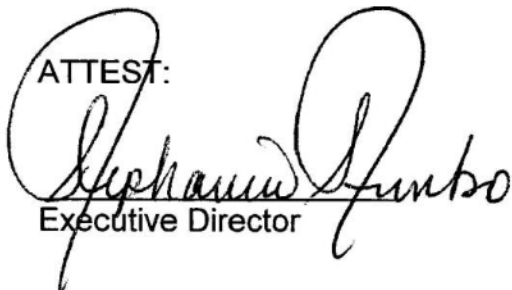
6. The purchased water adjustment factor of \$0.08 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by North McLean are approved.
2. The purchased water adjustment factor of \$0.08 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for service rendered on or after March 10, 2008.
4. Within 20 days of the date of this Order, North McLean shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 20th day of March, 2008.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00063 DATED MARCH 20, 2008

	New Rate	Base Rate
West Daviess		
Purchases in gallons	13,708,500	13,708,500
Volumetric rate	<u>\$ 2.80/1,000</u>	<u>\$ 2.13/1,000</u>
	\$38,383.80	\$29,199.10
Increased water cost	\$9,184.70	
City of Calhoun		
Purchases in gallons	110,327,000	
No change in rate		
City of Livermore		
Purchases in gallons	2,643,400	
No change in rate		
Increased water cost		\$ 9,184.70
Divided by gallons sold		<u>114,847,500</u>
Purchased water adjustment factor		\$0.08 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00063 DATED MARCH 20, 2008

The following rates and charges are prescribed for the customers in the area served by North McLean County 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.

RATES

Monthly Water Rates

First	2,000 gallons	\$ 14.10	Minimum Bill
Next	8,000 gallons	5.00	per 1,000 gallons
Next	30,000 gallons	4.49	per 1,000 gallons
Over	40,000 gallons	4.01	per 1,000 gallons