

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT) CASE NO. 2010-00058
FILING OF NEBO WATER DISTRICT)

ORDER

On February 12, 2010, Nebo Water District (“Nebo”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

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 its wholesale rate to Nebo would increase from \$3.59 per 1,000 gallons to \$3.79 per 1,000 gallons.
3. Nebo proposed a purchased water adjustment factor of \$0.24 per 1,000 gallons, the application contained a mathematical error in calculating the factor, it should have been \$0.25.
4. Nebo proposed to increase the rates to its customers effective March 1, 2010. Madisonville’s filing with the Commission requested an effective date of March 15, 2010 for the wholesale rate to Nebo.
5. During the 12 months ended December 31, 2009, Nebo purchased 145,585,000 gallons of water from Madisonville and sold 119,811,000 gallons. The increase in the cost of purchased water is \$29,117.00, resulting in a purchased water adjustment factor of \$0.25 per 1,000 gallons.

¹ KRS 278.015; 807 KAR 5:068.

6. The purchased water adjustment factor of \$0.25 per 1,000 gallons is fair, just, and reasonable and should be approved.

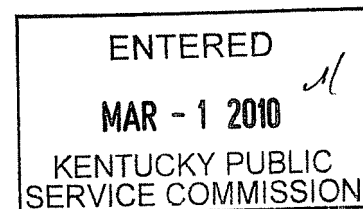
IT IS THEREFORE ORDERED that:

1. The rates proposed by Nebo are denied.
2. The effective date proposed by Nebo is denied.
3. The purchased water adjustment factor of \$0.25 per 1,000 gallons as calculated in Appendix A is approved.

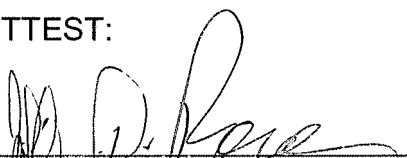
4. The rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services on or after March 15, 2010.

5. Within 20 days of the date of this Order, Nebo shall file with the Commission revised tariff sheets showing the rates approved herein.

By the Commission



ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00058 DATED MAR - 1 2010

	New Rate	Base Rate
Purchases in gallons	145,585,000	145,585,000
Volumetric rate	<u>\$ 3.79 /1,000</u>	<u>\$ 3.59/1,000</u>
	\$551,767.15	\$522,650.15
	Increased water cost	\$ 29,117.00
Increased water cost		\$29,117.00
Divided by gallons sold		119,811,000
Purchased water adjustment factor		\$0.25 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00058 DATED MAR - 1 2010

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

5/8 x 3/4-Inch Meter

First	2,000 gallons	\$19.01	Minimum Bill
Next	2,000 gallons	7.71	per 1,000 gallons
Next	6,000 gallons	7.26	per 1,000 gallons
Next	10,000 gallons	6.83	per 1,000 gallons
Over	20,000 gallons	6.38	per 1,000 gallons

1-Inch Meter

First	4,000 gallons	\$34.43	Minimum Bill
Next	6,000 gallons	7.26	per 1,000 gallons
Next	10,000 gallons	6.83	per 1,000 gallons
Over	20,000 gallons	6.38	per 1,000 gallons

1 1/2-Inch Meter

First	10,000 gallons	\$77.99	Minimum Bill
Next	10,000 gallons	6.83	per 1,000 gallons
Over	20,000 gallons	6.38	per 1,000 gallons

2-Inch Meter

First	20,000 gallons	\$146.29	Minimum Bill
Over	20,000 gallons	6.38	per 1,000 gallons

3-Inch Meter

First	30,000 gallons	\$210.09	Minimum Bill
Over	30,000 gallons	6.38	per 1,000 gallons

4-Inch Meter

First	50,000 gallons	\$337.69	Minimum Bill
Over	50,000 gallons	6.38	per 1,000 gallons

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