

North Nelson Water District

P. O. Box 25 Cox's Creek, Kentucky 40013

502-348-8342

April 17, 2007

RECEIVED

APR 18 2007

Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY 40602

PUBLIC SERVICE
COMMISSION

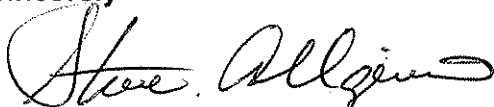
Case No. 2007-00159

RE: Formal Application for a Purchased Water Adjustment

This is an application for a purchased water rate adjustment for the North Nelson Water District. The adjustment is necessary to recover an increase in the cost of water attributable to an increase from the Louisville Water Company.

The District will publish the enclosed public notice of the requested rates in the local newspaper. In accordance with PSC rules and regulations, the notice will be published before the bills reflecting the increase are issued and will be published one time. A copy of the notice published in the newspaper will be sent to you upon publication.

Sincerely



Steve Allgeier
North Nelson Water District

Enclosures

PURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND ASSOCIATIONS
(807 KAR 5:068)

RECEIVED

APR 18 2007

PUBLIC SERVICE
COMMISSION

North Nelson Water District
(Name of Utility)

April 17, 2007
(Date)

P.O. Box 25
(Address)

Cox's Creek, KY 40013
(City, State)

502-348-8342
(Telephone Number)

Case No. 2007-00159

- 1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

<u>Supplier(s)</u>	<u>Base Rate</u>	<u>Changed Rate</u>
<u>Louisville Water Company</u>	<u>\$1.63</u>	<u>\$1.71</u>
<u>City of Bardstown</u>	<u>\$1.70</u>	<u>n/a</u>
<u> </u>	<u> </u>	<u> </u>

- 1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit 1.
2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From April 2006 through March 2007
 (month and year) (month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
<u>Louisville Water Company</u>	<u>135,838.0</u>
<u>City of Bardstown</u>	<u>150,637.0</u>
<u>TOTAL PURCHASES</u>	<u>286,475.0</u>

4. Total sales for the 12 month period 256,645.4

5. Increased water cost \$10,867.

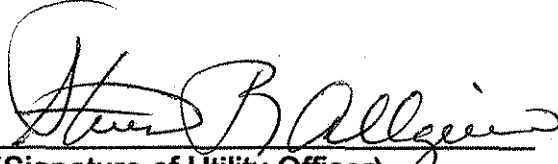
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

6. Purchased water adjustment factor \$0.04.

The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.

Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.

7. Proposed effective date May 1, 2007.


(Signature of Utility Officer)

Manager
(Title)



LOUISVILLE WATER COMPANY

550 SOUTH THIRD STREET • LOUISVILLE, KENTUCKY 40202
TEL 502-569-3600 WWW.LOUISVILLEWATER.COM

February 2, 2007

Mr. Steve Allgeier
District Manager
North Nelson Water District
P.O. Box 25
Cox's Creek, KY 40013

Dear Mr. Allgeier:

On behalf of Louisville Water Company, thank you for attending the meeting of our wholesale customers last week. I appreciate the opportunity for feedback from this important customer group of our Company. Please find enclosed a copy of Bob Miller's comments, our 2006 Rate Study for FY 2007, and a copy of *Principles of Water Rates, Fees, and Charges*.

As indicated in paragraph 6.03 of the rate schedule, the rate for wholesale water service on and after May 1, 2007 will be \$1.44 per thousand gallons, plus an elevated service area surcharge of \$0.27 per thousand gallons. This new rate is subject to approval by the Public Service Commission. We are planning to file the necessary documentation for this new rate with the PSC in early March.

I again offer any assistance North Nelson may need, as we continue to bring the wholesale rates in line with our cost of service. Patti Kaelin will be following up with you during the next several weeks. In the meantime, if you have any questions please call her at 502.569.3600 ext. 2262, or Jim Smith at ext. 3687.

Sincerely,

A handwritten signature in black ink, appearing to read "JL Huber".

John L. Huber
President

C: Jim Brammell
Bob Miller

NOTICE

Due to an increase from the Louisville Water Company, the North Nelson Water District has filed an application with the Kentucky Public Service Commission to implement the following rate schedule. The proposed change will affect all bills for services rendered on and after May 1, 2007.

<u>Monthly Rates</u>	<u>Current Rates</u>	<u>Proposed Rates</u>	
First 2,000 Gallons	\$13.65	\$13.73	Minimum Bill
Next 3,000 Gallons	3.65	3.69	Per 1,000 Gallons
Next 5,000 Gallons	3.13	3.17	Per 1,000 Gallons
Over 10,000 Gallons	2.78	2.82	Per 1,000 Gallons

The bill for a customer using 5,000 gallons each month will increase from \$24.60 to \$24.80 an increase of \$0.20.

The rates contained in this notice are the rates proposed by North Nelson Water District. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this notice. North Nelson has available for inspection at its office the application submitted to the Commission. You may contact the District at 502-348-8342.

FOR Nelson, Spencer & Bullitt Counties
Community, Town or City

P.S.C. KY. NO. 1

First Revised SHEET NO. 2

CANCELLING P.S.C. KY. NO. 1

Original SHEET NO. 2

North Nelson County Water District
(Name of Utility)

RATES AND CHARGES

Monthly Water Rates

First 2,000 Gallons	\$13.73 Minimum Bill
Next 3,000 Gallons	3.69 Per 1,000 Gallons
Next 5,000 Gallons	3.17 Per 1,000 Gallons
Over 10,000 Gallons	2.82 Per 1,000 Gallons
Truck Loading Stations	6.50 Per 1,000 Gallons

Date of Issue _____

Date Effective _____

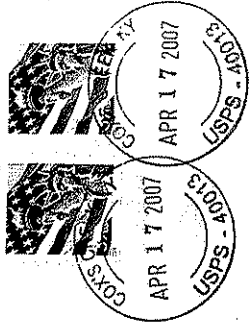
Issued By Steve B. Allgeier

Title Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

NORTH NELSON WATER
DISTRICT
P.O. BOX 25
COX'S CREEK, KY 40013

Executive Director
Kentucky Public Service Commission
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