

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
OF NORTH NELSON WATER DISTRICT) CASE NO. 2007-00159

O R D E R

On April 18, 2007, North Nelson Water District ("North Nelson") 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 Nelson purchases water from the Louisville Water Company ("Louisville") and the city of Bardstown.
2. Louisville notified North Nelson that, effective with its May 1, 2007 billing, Louisville's wholesale water rate to North Nelson would increase from \$1.63 per 1,000 gallons to \$1.71 per 1,000 gallons. North Nelson proposes to increase the water rates to its customers effective May 1, 2007.
3. During the 12 months ending March 31, 2007, North Nelson purchased 135,838,000 gallons from Louisville and 150,637,000 gallons from the city of Bardstown and sold 256,645,400 gallons. The increase in the cost of purchased water is \$10,867, resulting in a purchased water adjustment of \$0.04 per 1,000 gallons.

4. The purchased water adjustment of \$0.04 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by North Nelson are approved.

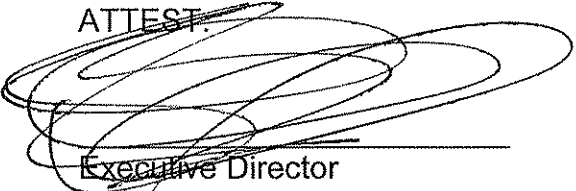
2. The purchased water adjustment of \$0.04 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after May 1, 2007.

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

Done at Frankfort, Kentucky, this 11th day of May, 2007.

By the Commission

ATTEST.


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00159 DATED May 11, 2007.

The following rates and charges are prescribed for the customers in the area served by North Nelson 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	\$ 13.73	Minimum bill
Next	3,000 gallons	3.69	per 1,000 gallons
Next	5,000 gallons	3.17	per 1,000 gallons
All Over	10,000 gallons	2.82	per 1,000 gallons