Steven L. Beshear
Governor

Robert D. Vance, Secretary
Environmental and Public
Protection Cabinet

Timothy J. LeDonne
Commissioner
Department of Public Protection

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February 18, 2008

Mark David Goss
Chairman

John W. Clay
Vice Chairman

Caroline Pitt Clark
Commissioner

CERTIFICATE OF SERVICE

RE: Case No. 2008-00031
    Nebo Water District

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on February 18, 2008.

_____
Executive Director

BOD/rs
Enclosure

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT	)	CASE NO.
OF NEBO WATER DISTRICT	)	2008-00031

ORDER

On January 24, 2008, Nebo Water District ("Nebo District") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068. This application was found to be deficient and these deficiencies were cured on February 5, 2008.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1.   Nebo District purchases water from the city of Madisonville ("Madisonville").

2.   Madisonville notified Nebo District that, effective February 3, 2008, Madisonville's wholesale rate to Nebo District would increase from $2.51 per 1,000 gallons to $3.27 per 1,000 gallons.

3.   Nebo District proposed a purchased water adjustment factor of $0.91 per 1,000 gallons.

4.   During the 12 months ended December 31, 2007, Nebo District purchased 156,701,000 gallons of water from Madisonville. The increase in the cost of purchased water is $119,093, resulting in a purchased water adjustment factor of $0.91 per 1,000 gallons.

5.   The purchased water adjustment factor of $0.91 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1.   The rates proposed by Nebo District are approved.

2.   The purchased water adjustment factor of $0.91 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 February 3, 2008.

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

Done at Frankfort, Kentucky, this 18th day of February, 2008.

By the Commission

ATTEST:

Executive Director

Case No. 2008-00031

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00031 DATED FEBRUARY 18, 2008

	New Rate	Base Rate
Madisonville		
Purchases in gallons	156,701,000	130,789,000
Volumetric rate	$ 3.27/1,000	$ 2.51/1,000
	$512,412	$393,320
		Increased water cost $119,092

Increased water cost	$ 119,092
Divided by gallons sold	130,701,000
Purchased water adjustment factor	$0.91 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00031 DATED FEBRUARY 18, 2008

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	$ 17.71	Minimum Bill
Next	2,000	gallons	7.06	per 1,000 gallons
Next	6,000	gallons	6.61	per 1,000 gallons
Next	10,000	gallons	6.18	per 1,000 gallons
Over	20,000	gallons	5.73	per 1,000 gallons

Minimum Bills

5/8 Inch x 3/4 Inch	$ 17.71	First	2,000 gallons
1 Inch	31.83	First	4,000 gallons
1 1/2 Inch	71.49	First	10,000 gallons
2 Inch	133.29	First	20,000 gallons
3 Inch	190.59	First	30,000 gallons
4 Inch	305.19	First	50,000 gallons