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PUBLIC SERVICE
COMMISSION

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

| | | | |
|------------------|---------------------|-------|--|
| Name of Utility | NEBO WATER DISTRICT | | |
| Date | JANUARY 29, 2013 | | |
| Address | 45 BERNARD STREET | | |
| City, State, Zip | NEBO, KY | 42441 | |
| Telephone Number | (270) 249-3709 | | |

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.

| Supplier(s) | Base Rate | Changed Rate |
|-----------------------|-----------------------|-----------------------|
| CITY OF MADISONVILLE, | | |
| KENTUCKY | \$ 3.63/1,000 GALLONS | \$ 3.65/1,000 GALLONS |
| | | |
| | | |

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit

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 | JANUARY 1, 2012 | through | DECEMBER 31, 2012 |
| | (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 |
|--|--|
| CITY OF MADISONVILLE, KY | 170,131,000 |
| | |
| | |
| TOTAL PURCHASES | 170,131,000 |
| 4. Total gallons sold for the 12 month period | 146,667,000 |
| 5. Increased water cost | \$ 3,402.62 |
| The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. | |
| 6. Purchased water adjustment factor | .02/1,000 GALLONS |
| The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold. | |
| <p>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.</p> | |
| 7. Proposed effective date | MARCH 1, 2013 |
|  | |
| Signature of Utility Officer | |
| Chairman | |
| Title | |

Form for filing Rate Schedules

For Hopkins County, Kentucky
Community, Town or City

P.S.C. NO. _____

_____ SHEET NO. _____

Cancelling PSC No. 2012-00081

Nebo Water District
Name of Issuing Corporation

_____ SHEET NO. _____

Minimum Water Rates Based on Size Connections

| <u>Size of Water Meter Connections</u> | <u>Number of Gallons or Less of Per Month to be Provided for the Minimum Rate</u> | <u>Minimum monthly Water Rate Per Connection</u> |
|--|---|--|
| 5/8 inch x 3/4 inch | 2,000 gallons | \$18.65 |
| 1 inch | 4,000 gallons | 33.71 |
| 1-1/2 inch | 10,000 gallons | 76.19 |
| 2 inch | 20,000 gallons | 142.69 |
| 3 inch | 30,000 gallons | 204.39 |
| 4 inch | 50,000 gallons | 328.19 |

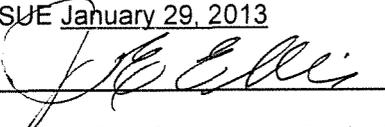
Meter Rates for Water Usage in Addition to Minimum Charge

Subject to the minimum monthly water rate specified above, the following metered charges shall be made for water consumption per month to customers of all size connections:

| <u>Number of Gallons of Water per Month</u> | <u>Monthly Charge per 1,000 Gallons</u> |
|---|---|
| First 2,000 gallons | \$18.65 |
| Next 2,000 gallons | 7.53 |
| Next 6,000 gallons | 7.08 |
| Nest 10,000 gallons | 6.65 |
| All over 20,000 gallons | 6.20 |

DATE OF ISSUE January 29, 2013

DATE EFFECTIVE: March 1, 2013

ISSUED BY 

TITLE Chairman

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. _____
dated _____.



BERRY & KINGTON, PSC
CERTIFIED PUBLIC ACCOUNTANTS

2822 North Main Street
Madisonville, KY 42431
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Fax: 270-821-0101
email: cpas@berryandkington.com

January 7, 2013

Mr. Cory Alexander
City Finance Director
City of Madisonville, Kentucky
67 North Main Street
Madisonville, KY 42431

Dear Cory:

We have prepared the accompanying Cost Review Formulas for revising calendar year wholesale rate charges as per Treated Water Sale and Purchase Agreements with the Nebo Water District.

We prepared the Cost Review Formulas using June 30, 2012 audited financial statements and wholesale user consumption records as provided by the City of Madisonville. We did not audit the wholesale user consumption records during our June 30, 2012 audit due to the fact that such records were outside the scope of the audit.

The wholesale water rate to be charged to the Nebo Water District is \$3.65 per each one thousand gallons of treated water. It is my understanding that the new rate will be charged from March 1, 2013 to December 31, 2013.

We appreciate the opportunity to be of service to the City of Madisonville. Please call if you have any questions regarding these computations.

Very truly yours,

Charles A. Kington, CPA