

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF) CASE NO.
NEBO WATER DISTRICT) 2014-00081

ORDER

On March 10, 2014, Nebo Water District (“Nebo”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹ The initial filing was found to be deficient. On March 25, 2014, Nebo filed information that cured the deficiencies and the application was accepted as filed as of that date.

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

1. Nebo purchases water from the city of Madisonville (“Madisonville”).
2. On March 15, 2014, Madisonville increased its wholesale rate to Nebo from \$3.65 per 1,000 gallons to \$3.71 per 1,000 gallons.² Nebo proposed to increase the water rates to its customers effective March 15, 2014.
3. During the 12 months ended December 31, 2013, Nebo purchased 164,795,000 gallons of water from Madisonville and sold 142,638,000 gallons. The increase in the cost of purchased water is \$9,887.70, resulting in a purchased water adjustment of \$0.07 per 1,000 gallons.

¹ KRS 278.015; 807 KAR 5:068.

² TFS 2014-00069 (Ky. PSC Filed Feb. 5, 2014); Letter from Dennis Brent Kirtley, Tariff Branch Manager, Public Service Commission, to Cory C. Alexander, City of Madisonville (Mar. 14, 2014).

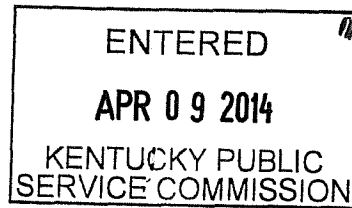
4. The purchased water adjustment of \$0.07 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

5. Nebo's proposed rates as set forth in Appendix B to this Order, are fair, just and reasonable and should be approved for water service rendered on and after March 15, 2014.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.07 per 1,000 gallons is approved.
2. Nebo's proposed rates are approved for water service rendered on and after March 15, 2014.
3. Within 20 days of the date of this Order, Nebo shall file with the Commission, using the Commission's electronic Tariff Filing System, 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. 2014-00081 DATED **APR 09 2014**

	New Rate	Base Rate
Nebo		
Purchases in gallons		
City of Madisonville	164,795,000	164,795,000
Volumetric rate	<u>\$ 3.71/1,000</u>	<u>\$ 3.65/1,000</u>
	\$611,389.45	\$ 601,501.75
Increased water cost		\$9,887.70
Increased water cost		\$9,887.70
Divided by gallons sold/1,000		<u>142,638,000</u>
Purchased water adjustment factor		\$0.0693 per 1,000 gallons or \$0.07 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00081 DATED **APR 09 2014**

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

Minimum Water Rates Base on Size Connections

5/8- x 3/4-inch Meters	2,000 Gallons	\$18.79 Minimum Bill
1-inch Meters	4,000 Gallons	\$33.99 Minimum Bill
1 1/2-inch Meters	10,000 Gallons	\$76.89 Minimum Bill
2-inch Meters	20,000 Gallons	\$144.09 Minimum Bill
3-inch Meters	30,000 Gallons	\$206.49 Minimum Bill
4-inch Meters	50,000 Gallons	\$331.69 Minimum Bill

Meter Rates for Water Usage in Addition to the Minimum Charge

First	2,000 Gallons	\$18.79 Minimum Bill
Next	2,000 Gallons	7.60 per 1,000 Gallons
Next	6,000 Gallons	7.15 per 1,000 Gallons
Next	10,000 Gallons	6.72 per 1,000 Gallons
Over	20,000 Gallons	6.27 per 1,000 Gallons

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