

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

RECEIVED

FEB 29 2016

Public Service
Commission

Name of Utility	NEBO WATER DISTRICT	
Date	FEBRUARY 22, 2016	
Address	45 BERNARD STREET	
City, State, Zip	NEBO, KY	42441
Telephone Number	(270) 249-3709	
Email Address	nwdoffice@yahoo.com	

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.

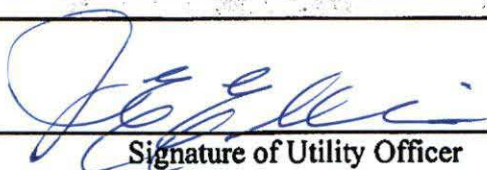
Supplier(s)	Base Rate	Changed Rate
CITY OF MADISONVILLE, KY	\$ 3.95/1,000 Gallons	\$ 4.13/1,000 Gallons

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, 2015	through	DECEMBER 31, 2015
	(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	121,412,000
TOTAL PURCHASES	121,412,000
4. Total gallons sold for the 12 month period	103,317,000
5. Increased water cost	\$ 21,854.16
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation is attached as Exhibit	
6. Purchased water adjustment factor	.22/1,000 Gallons
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.	
7. A schedule listing the current and proposed rates is attached as Exhibit	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit	
9. Proposed effective date	MARCH 15, 2016
 Signature of Utility Officer	
Chairman Title	

Nebo WD 2016

SUPPLIER	NEW RATE (per 1,000)	OLD RATE (per 1,000)
Madisonville	\$4.1300	\$3.9500

TWELVE MONTH TEST PERIOD:

Jan 2015 through Dec 2015

SUPPLIER	GALLONS PURCHASED DURING TEST PERIOD
Madisonville	121,412,000
0	0
0	0

TOTAL 121,412,000

SUPPLIER	COST AT NEW RATE	COST AT OLD RATE
Madisonville	501,431.56	479,577.40
0	0	0
0	0	0
TOTAL	\$501,431.56	\$479,577.40

INCREASED
WATER COST

= \$21,854.16

TOTAL GALLONS SOLD FOR THE TEST PERIOD :

103,317,000

Increased Water Cost / (total gallons sold / 1,000) = Purchased Water Adjustment Factor

\$21,854.16 / 103,317,000 /1000 = 0.211525306

ROUNDED

0.22

Nebo County Water District 2016

Comparison of Rates

	Minimum Bill	Current	Proposed
5/8" x 3/4" Meter	2,000 gallons	\$19.35	\$19.79
1" Meter	4,000 gallons	35.11	35.99
1 1/2" Meter	10,000 gallons	79.69	81.89
2" Meter	20,000 gallons	149.69	154.09
3" Meter	30,000 gallons	214.89	221.49
4" Meter	50,000 gallons	345.69	356.69

Usage Rates

First	2,000	Gallons	19.35	19.79	Minimum Bill
Next	2,000	Gallons	7.88	8.10	per 1000 gallons
Next	6,000	Gallons	7.43	7.65	per 1000 gallons
Next	10,000	Gallons	7.00	7.22	per 1000 gallons
Over	20,000	Gallons	6.55	6.77	per 1000 gallons



NEBO WATER DISTRICT

45 NORTH BERNARD
NEBO, KENTUCKY 42441
PHONE: (270) 249-3709
FAX: (270) 249-3714

Special Called Meeting

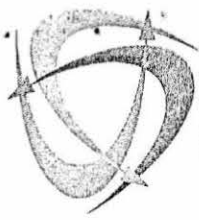
February 17, 2016

9:00 a.m.

The Nebo Water District Commissioners had a special called meeting to discuss the proposed rate increase. On February 1st the Nebo Water District received a letter from the City of Madisonville informing the District of their intention of raising the Wholesale rate by 18 cents per 1000 gallons. The Commissioners had a special called meeting on February 17th and voted to increase the customer's current rate by 22 cents per 1000 gallons in accordance with the formula figured by their accountant Michael L. Overby C. P. A. This increase would go into effect on March 15th 2016.

Commission Chairman

J E Ellis



BerryKington & Utley PSC
Certified Public Accountants

2822 North Main Street ■ Madisonville, KY 42431
Phone 270-821-3355 ■ Fax 270-821-0101

January 8, 2016

Mr. Cory Alexander
City Finance Director/Treasurer
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, 2015 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, 2015 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 \$4.13 per each one thousand gallons of treated water. It is my understanding that the new rate will be charged from March 15, 2016 to December 31, 2016.

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