COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|---|---|---|
| PURCHASED WATER ADJUSTMENT | ) | CASE NO. |
| FILING OF NEBO WATER DISTRICT | ) | 2016-00103 |

ORDER

On February 29, 2016, Nebo Water District ("Nebo District") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.[1]

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

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

2. On March 15, 2016, Madisonville increased its wholesale water rate to Nebo District from $3.95 per 1,000 gallons to $4.13 per 1,000 gallons.[2] Nebo District proposed to increase the water rates to its customers effective March 15, 2016, to reflect the increased cost of purchased water.

3. During the 12 months ended December 31, 2015, Nebo District purchased 121,412,000 gallons of water from Madisonville and sold 103,317,000 gallons of water. The increase in the cost of purchased water is $21,854.16, resulting in a purchased water adjustment factor of $0.22 per 1,000 gallons.

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[1] KRS 278.015; 807 KAR 5:068.

[2] TFS 2016-00042 (Ky. PSC filed Feb. 2, 2016); The tariff was accepted for filing by the Commission by letter dated Mar. 14, 2016.

4.     The purchased water adjustment factor of $0.22 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

5.     Nebo District'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, 2016.
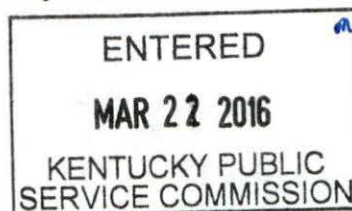
IT IS THEREFORE ORDERED that:

1.     The purchased water adjustment factor of $0.22 per 1,000 gallons is approved.

2.     Nebo District's proposed rates, as set forth in Appendix B to this Order, are approved for services rendered on and after March 15, 2016.

3.     Within 20 days of the date of this Order, Nebo District shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

By the Commission

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ENTERED
MAR 22 2016
KENTUCKY PUBLIC
SERVICE COMMISSION
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ATTEST:

_Aaron D. Greenwell_
Acting Executive Director

Case No. 2016-00103

# APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00103 DATED **MAR 2 2 2016**

| | New Rate | Base Rate |
|---|---|---|
| Madisonville | | |
| Purchases in gallons | 121,412,000 | 121,412,000 |
| Volumetric rate | $4.13/1,000 | $3.95/1,000 |
| | $501,431.56 | $479,577.40 |
| | | |
| Increased water cost | | $21,854.16 |

| | | |
|---|---|---|
| Increased water cost | $ | 21,854.16 |
| Divided by gallons sold/1,000 | | 103,317,000 |
| | $ | 0.2115 |
| Purchased water adjustment factor | or $ | 0.22 per 1,000 gallons |

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00103 DATED **MAR 2 2 2016**

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

#### 5/8- x 3/4-Inch Meter

| | | | |
|---|---|---|---|
| First | 2,000 Gallons | $ | 19.79 Minimum Bill |
| Next | 2,000 Gallons | | 8.10 per 1,000 gallons |
| Next | 6,000 Gallons | | 7.65 per 1,000 gallons |
| Next | 10,000 Gallons | | 7.22 per 1,000 gallons |
| Over | 20,000 Gallons | | 6.77 per 1,000 gallons |

#### 1-Inch Meter

| | | | |
|---|---|---|---|
| First | 4,000 Gallons | $ | 35.99 Minimum Bill |
| Next | 6,000 Gallons | | 7.65 per 1,000 gallons |
| Next | 10,000 Gallons | | 7.22 per 1,000 gallons |
| Over | 20,000 Gallons | | 6.77 per 1,000 gallons |

#### 1 1/2-Inch Meter

| | | | |
|---|---|---|---|
| First | 10,000 Gallons | $ | 81.89 Minimum Bill |
| Next | 10,000 Gallons | | 7.22 per 1,000 gallons |
| Over | 20,000 Gallons | | 6.77 per 1,000 gallons |

#### 2-Inch Meter

| | | | |
|---|---|---|---|
| First | 20,000 Gallons | $ | 154.09 Minimum Bill |
| Over | 20,000 Gallons | | 6.77 per 1,000 gallons |

#### 3-Inch Meter

| | | | |
|---|---|---|---|
| First | 30,000 Gallons | $ | 221.49 Minimum Bill |
| Over | 30,000 Gallons | | 6.77 per 1,000 gallons |

#### 4-Inch Meter

| | | | |
|---|---|---|---|
| First | 50,000 Gallons | $ | 356.69 Minimum Bill |
| Over | 50,000 Gallons | | 6.77 per 1,000 gallons |

*Nebo Water District
45 North Bernard Street
Nebo, KY  42441


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