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November 21, 2023

ELECTRONICALLY FILED

Linda C. Bridwell, Executive Director
Kentucky Public Service Commission
Post Office Box 615
Frankfort, KY 40602

Re: Nebo Water District – Contract Amendment

Dear Ms. Bridwell:

Please find enclosed for filing Nebo Water District's contract amendment with the City of Madisonville. The contract does not affect the current rate but extends the purchased water obligation through September 14, 2053, which is necessary in order for Nebo Water to obtain assistance from the USDA (Rural Water). The new rate effective January 1, 2024, will be a function of the rate charged to Madisonville's largest users. A purchased water filing will be made soon and once the January 2024 rate is made known.

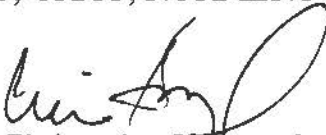
This is to certify that the electronic filing has been transmitted to the Commission on November 21, 2023, and that there are no parties in this proceeding that the Commission has excused from participating by electronic means. Pursuant to Order of the Commission of July 22, 2021, in Case No. 2020-00085 no paper copies of this filing will be made.

Thank you for your assistance with this matter, and please do not hesitate to contact me if you have any questions or concerns.

Respectfully,

DORSEY, GRAY, NORMENT & HOPGOOD

By


J. Christopher Hopgood

AMENDED AGREEMENT

THIS AMENDED AGREEMENT is made and entered into by and between CITY OF MADISONVILLE ("City"), Post Office Box 705, Madisonville, KY 42431, and NEBO WATER DISTRICT ("District) on this 7th day of November, 2023;

WITNESSETH: The City of Madisonville and the Nebo Water District entered into an agreement dated July 18, 1977, as amended by agreements dated July 10, 1979, September 15, 1990, and August 20, 2001, which provided that the City would sell treated water to the District upon the terms and conditions stated therein; and

WHEREAS, the parties hereto desire to amend the existing agreements between the parties as herein provided;

NOW, THEREFORE, for and in consideration of the mutual promises and obligations of the parties, and in consideration of the premises, the receipt and sufficiency of said consideration being hereby acknowledged, the parties do hereby amend their existing agreements as follows:

1. The term of the existing agreement is extended from September 14, 2030, to September 14, 2053.

2. The City of Madisonville agrees to make available for delivery and use by the Nebo Water District potable treated water, meeting the applicable purity standards of the Kentucky State Board of Health, in such quantity as may be required by the District not to exceed 18 million gallons per month. The treated water supplied by the City to the District shall only be for the use of businesses and/or residences located in Hopkins County, Kentucky. The District does hereby covenant and agree that no portion of the treated water sold to it by the City of Madisonville will be offered for distribution and/or sold to any person, firm or corporation outside Hopkins County, Kentucky.

3. Paragraph 6 of the existing agreement, as amended, is further amended as follows. Until December 31, 2023, the rate to be charged by the City of Madisonville to the Nebo Water District is \$4.52 per thousand gallons of water metered. Beginning January 1, 2024, the

rate to be charged by the City of Madisonville to the Nebo Water District is an amount equal to the ninety percent (90%) of the rate charged to the City of Madisonville's class of customers that use 20,000 gallons per month or more as same may be amended by the Madisonville City Council by Ordinance. The City of Madisonville shall provide unto the Nebo Water District notice of any proposed rate increase/decrease at least 60 days prior to the effective date of any rate change.

It is expressly agreed and understood that any proposed rate change must be approved by the Kentucky Public Service Commission. Any rate change approved by the Kentucky Public Service Commission shall be effective as of the same date of any rate change charged by the City of Madisonville for its class of customers that use 20,000 gallons per month or more.

4. Should the City of Madisonville offer to any other water district or municipality other than the City of Hanson, Kentucky a rate formula that is more favorable to the water district than the rate herein, then the rate herein shall be adjusted to match the more favorable rate formula. For the avoidance of doubt, this paragraph does not apply to the economic development rate discount of industrial rate agreements, or to compromised rates as a result of litigation.

5. This agreement is contingent upon approval by the Kentucky Public Service Commission.

6. All other provisions of the previous agreements of the parties not inconsistent herewith are ratified and reaffirmed.

CITY OF MADISONVILLE

By: 

KEVIN COTTON, MAYOR

NEBO WATER DISTRICT

By: Michael Shoblee
CHAIRMAN

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