

2008-00031



NEBO WATER DISTRICT

PO BOX 147
NEBO, KENTUCKY 42441
Phone (270) 249-3709
Fax (270) 249-3714

RECEIVED

FEB - 5 2008

PUBLIC SERVICE
COMMISSION

Public Service Commission
Attn: Brent Kirtley
P. O. Box 615
Frankfort, KY 40602

Dear Mr. Kirtley:

Please find enclosed five copies of the letter from Madisonville that advised Nebo Water District of a water purchase rate change.

If you should need any other information please contact me at the number listed above or contact our CPA, Michael Overby, his office number is 270-667-2251 and his cell phone is 270-635-0080.

Sincerely,

Linda Neal
Office Manager



CITY OF MADISONVILLE

Cory C. Alexander, CPA
Finance Director

William M. Cox, Jr.
Mayor

RECEIVED
FEB - 5 2008
PUBLIC SERVICE
COMMISSION

January 3, 2008

Linda Neal
Nebo Water District
PO Box 147
Nebo, KY 42441

Dear Linda:

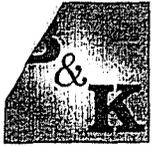
Attached you will find a letter from Charles A. Kington, CPA advising you of the agreement between the City of Madisonville and the Nebo Water District regarding the water purchase contract and a computation of the new rates that will become effective February 3, 2008.

If you have any questions, please do not hesitate to contact me.

Sincerely,

City of Madisonville

Cory C. Alexander, CPA
Finance Director



BERRY & KINGTON, PSC
CERTIFIED PUBLIC ACCOUNTANTS

2822 North Main Street
Madisonville, KY 42431
Phone: 270-821-3355
Fax: 270-821-0101
email: cpas@berryandkington.com

December 27, 2007

Nebo Water District

Mr. Lloyd Merrell
City Administrative Officer
City of Madisonville, Kentucky
P.O. Box 705
Madisonville, KY 42431

Dear Lloyd:

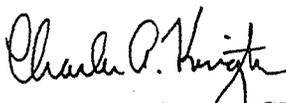
We have prepared the accompanying Cost Review Formulas for revising calendar year wholesale rate charges as per Treated Water Sale and Purchase Agreements with the Nebo Water District.

We prepared the Cost Review Formulas using June 30, 2007 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, 2007 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 \$3.27 per each one thousand gallons of treated water. It is my understanding that the new rate will be charged from February 1, 2008 to December 31, 2008.

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