

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

RECEIVED

AUG 16 2017

PUBLIC SERVICE
COMMISSION

Name of Utility	NEBO WATER DISTRICT	
Date	AUGUST 10, 2017	
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.

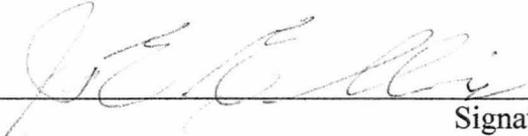
Supplier(s)	Base Rate	Changed Rate
CITY OF MADISONVILLE, KY	\$4.13/1,000 GALLONS	\$4.39/1,000 GALLONS
WEBSTER COUNTY WATER DISTRICT	\$3.70/1,000 GALLONS	\$3.70/1,000 GALLONS

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	JULY 1, 2016	through	JUNE 30, 2017
	(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	111,016,000
WEBSTER COUNTY WATER DISTRICT	612,000
TOTAL PURCHASES	113,628,000
4. Total gallons sold for the 12 month period	86,948,000
5. Increased water cost	\$29,543.28
<p>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</p>	
6. Purchased water adjustment factor	\$.34/1,000 GALLONS
<p>The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.</p> <p>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.</p>	
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	AUGUST 9, 2017
	
Signature of Utility Officer	
CHAIRMAN	
Title	

For: Hopkins County, Kentucky

PSC KY Number: _____

Sheet No. 1

Cancelling PSC KY Number: 2016-00435

Sheet No. 1

NEBO WATER DISTRICT

(Name of Utility)

MONTHLY WATER RATES

5/8-INCH METER

FIRST 2,000 GALLONS	\$ 22.83 MINIMUM BILL
NEXT 2,000 GALLONS	9.41 PER 1,000 GALLONS
NEXT 6,000 GALLONS	8.91 PER 1,000 GALLONS
NEXT 10,000 GALLONS	8.42 PER 1,000 GALLONS
OVER 20,000 GALLONS	7.92 PER 1,000 GALLONS

1-INCH METER

FIRST 4,000 GALLONS	\$ 41.65 MINIMUM BILL
NEXT 6,000 GALLONS	8.91 PER 1,000 GALLONS
NEXT 10,000 GALLONS	8.42 PER 1,000 GALLONS
OVER 20,000 GALLONS	7.92 PER 1,000 GALLONS

1 1/2-INCH METER

FIRST 10,000 GALLONS	\$ 95.11 MINIMUM BILL
NEXT 10,000 GALLONS	8.42 PER 1,000 GALLONS
OVER 20,000 GALLONS	7.92 PER 1,000 GALLONS

2-INCH METER

FIRST 20,000 GALLONS	\$179.31 MINIMUM BILL
OVER 20,000 GALLONS	7.92 PER 1,000 GALLONS

3-INCH METER

FIRST 30,000 GALLONS	\$258.51 MINIMUM BILL
OVER 30,000 GALLONS	7.92 PER 1,000 GALLONS

4-INCH METER

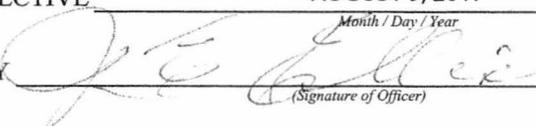
FIRST 50,000 GALLONS	\$416.91 MINIMUM BILL
OVER 50,000 GALLONS	7.92 PER 1,000 GALLONS

DATE OF ISSUE AUGUST 9, 2017

Month / Day / Year

DATE EFFECTIVE AUGUST 9, 2017

Month / Day / Year

ISSUED BY 

(Signature of Officer)

TITLE CHAIRMAN

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

NEBO WATER DISTRICT

COMPARISON OF RATES-2017

	<u>MINIMUM BILL</u>	<u>CURRENT</u>	<u>PROPOSED</u>
5/8" X 3/4" METER	2,000 GALLONS	22.15	22.83
1" METER	4,000 GALLONS	40.29	41.65
1 1/2" METER	10,000 GALLONS	91.71	95.11
2" METER	20,000 GALLONS	172.51	179.31
3" METER	30,000 GALLONS	248.31	258.51
4" METER	50,000 GALLONS	399.91	416.91

USAGE RATES

FIRST	2,000	GALLONS	22.15	22.83	MINIMUM BILL
NEXT	2,000	GALLONS	9.07	9.41	PER 1,000 GALLONS
NEXT	6,000	GALLONS	8.57	8.91	PER 1,000 GALLONS
NEXT	10,000	GALLONS	8.08	8.42	PER 1,000 GALLONS
OVER	20,000	GALLONS	7.58	7.92	PER 1,000 GALLONS

LEGAL NOTICE

Notice is hereby given that Nebo Water District ("District") received approval from the Public Service Commission ("PSC") to adjust its water rates pursuant to an increased wholesale rate from its water supplier, the City of Madisonville. The new rates shown below will be effective for service rendered on or after August 9, 2017.

<u>Monthly Rates</u>	<u>Prior Rate</u>	<u>New Rate</u>	<u>\$ Increase</u>	<u>% Increase</u>
First 2,000 gallons	22.15	22.83	0.68	3.07%
Next 2,000 gallons	9.07	9.41	0.34	3.75%
Next 6,000 gallons	8.57	8.91	0.34	3.97%
Next 10,000 gallons	8.08	8.42	0.34	4.21%
Next 20,000 gallons	7.58	7.92	0.34	4.49%

The bill for an average customer using 5,000 gallons of water each month will increase from \$ 48.86 to \$ 50.56 for an increase of \$ 1.70 or 3.48% in an average monthly bill.

Any person may examine this application at the District's office located at 45 Bernard Street in Nebo, Kentucky, telephone (270) 249-3709.

Any person may examine this application at the PSC located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or the PSC website at <http://psc.ky.gov>; or telephone (502) 564-3940.

**A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE NEBO WATER DISTRICT ADJUSTING WATER
RATES AND CHARGES TO OFFSET THE CITY OF
MADISONVILLE WHOLESALE RATE INCREASE**

WHEREAS, the City of Madisonville (“Madisonville”) is one of Nebo Water District’s (“District”) wholesale water providers;

WHEREAS, on February 6, 2017, Madisonville filed an application with the Kentucky Public Service Commission (“PSC”) seeking to increase the wholesale water rate that Madisonville charges the District from \$4.13 to \$5.01 per 1,000 gallons (See PSC Case No. 2017-00133);

WHEREAS, on June 28, 2017, Madisonville, the District, and North Hopkins Water District entered into the Joint Settlement Agreement and Stipulation (“Settlement”), which provides for an increase in the wholesale water rate that Madisonville charges the District from \$4.13 to \$4.39 per 1,000 gallons;

WHEREAS, the Settlement is under consideration by the PSC at this time;

WHEREAS, based upon the water purchases from Madisonville during the previous 12 months, the estimated annual increased cost to the District will be \$29,543.28, if the Settlement is approved as submitted;

WHEREAS, prudent financial management dictates that the District take

immediate action to adjust its retail rates commensurate with Madisonville's wholesale rate increase; and

WHEREAS, KRS 278.015 and 807 KAR 5:068 provide the legal mechanism for the District to increase its water rates commensurate with Madisonville's wholesale rate increase via a Purchased Water Adjustment ("PWA");

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF NEBO WATER DISTRICT AS FOLLOWS:

Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. The PWA factor is \$.34 per 1,000 gallons;

Section 3. All tiers of water usage set forth in the District's existing tariff shall be increased by \$.34 per 1,000 gallons, subject to any minor adjustment that may be made by the PSC.

Section 4. The monthly water rates to be charged to and collected from the customers and users of the water system of the District shall be as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a

part of this Resolution. The rates and charges set forth in **Appendix A** are subject to any minor adjustment that may be made by the PSC. These monthly rates and charges shall be in effect on the date the PSC grants approval to Madisonville to increase its rates to the District to \$4.39 per 1,000 gallons in Case No. 2017-00133.

Section 5. The Chairman is hereby authorized and directed to execute and file the PWA Application, Tariff Sheet, and all other documents that may be required by the PSC.

Section 6. The General Manager, all appropriate District Staff, and the District's accountant are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to implement the PWA.

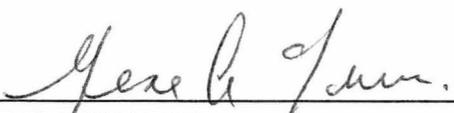
Section 7. This Resolution shall take effect upon its adoption.

ADOPTED BY THE COMMISSION OF NEBO WATER DISTRICT at a meeting held on July 25, 2017, signed by the Chairman, and attested by the Secretary.

ATTEST:



CHAIRMAN



SECRETARY

CERTIFICATION

I, Secretary of the Nebo Water District (the "District"), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Commission of the District at a meeting properly held on July 25, 2017, signed by the Chairman of the Commission, attested by me as Secretary, and now in full force and effect.

WITNESS my hand this 25th day of July, 2017.



SECRETARY