

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT) CASE NO.
OF NEBO WATER DISTRICT) 2006-00551

O R D E R

On January 12, 2007, the Commission issued an Order in this proceeding in which it established two schedules of rates for Nebo Water District to reflect a recent adjustment in the wholesale rates of the city of Madisonville, Kentucky (“Madisonville”). The first schedule, effective for water service provided from January 3, 2007 to February 2, 2007, reflected Madisonville’s most recent adjustment in its wholesale water service rates and a \$0.27 per 1,000 gallons reduction required to reflect an earlier reduction in Madisonville’s wholesale water service rates.¹ The second schedule, which is effective for water service provided on and after February 3, 2007, reflected only Madisonville’s most recent wholesale rate adjustment.

Administrative Regulation 807 KAR 5:068, Section 5, requires a water district to provide notice “of any increase in rates resulting from a supplier increase no later than the rendering of the first bill at the increased rate.” As the Commission has approved a purchased water adjustment of \$0.41 per 1,000 for water effective January 3, 2007, we find no purpose is served to require Nebo Water District to publish notice of both rate

¹ On January 9, 2006, Madisonville notified the Commission that, effective for service rendered on and after February 1, 2006, its wholesale water service rate to Nebo would decrease from \$2.19 to \$2.17 per 1,000 gallons. This proposed reduction became effective on February 1, 2006. Nebo Water District did not adjust its rates to reflect this reduction and as a result overcharged its customers approximately \$2,922 during the period between February 1, 2006 and December 31, 2006

schedules set forth in our Order of January 12, 2007 and that Nebo Water District should publish notice only of the rate schedule set forth in Appendix B of that Order on or before the issuance of its first bills after January 12, 2007.

IT IS THEREFORE ORDERED that:

1. On or before the issuance of its bills for service provided on or after January 3, 2007, Nebo Water District shall publish notice of the rates set forth in Appendix B of the Commission's Order of January 12, 2007.
2. Nebo Water is not required to publish notice of the rates set forth in Appendix A of the Commission's Order of January 12, 2007.
3. All other provisions of the Commission's Order of January 12, 2007 that do not conflict with the provisions of this Order remain in effect.

Done at Frankfort, Kentucky, this 1st day of February, 2007.

By the Commission

ATTEST:



Executive Director