

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE NEBO WATER)
DISTRICT FOR APPROVAL OF A PROPOSED) CASE NO. 2007-00081
INCREASE IN RATES FOR WATER SERVICE)

ORDER

On February 22, 2007, Nebo Water District (“Nebo”) filed its application for Commission approval of a proposed increase in water rates. Nebo proposed to increase its annual revenue from water rates by 13.69 percent, or \$94,564 in additional water revenue. This proposal would increase the monthly water bill for 5,000 gallons of usage from \$30.45 to \$33.89, an increase of 11.3 percent.

By Order dated March 29, 2007, the Commission issued a Staff Report that was prepared upon review of Nebo’s test-year operations. Staff’s report recommended that Nebo’s proposed rate increase be accepted. The Order granted 10 days to file written comments regarding the Staff Report or requests for a hearing or informal conference. No comments or requests for a hearing or informal conference were received in response to this Order.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and should be adopted as the findings of the Commission.

2. The rates in Appendix A will produce annual revenue from water service of \$770,948.

IT IS THEREFORE ORDERED that:

1. The findings contained in the Staff Report are adopted and incorporated by reference into this Order as if fully set out herein.

2. The rates in Appendix A are approved for service rendered by Nebo on and after the date of this Order.

3. Within 30 days of the date of this Order, Nebo shall file with the Commission its revised tariff setting out the rates approved herein.

4. Three years from the effective date of this Order, Nebo shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Done at Frankfort, Kentucky, this 19th day of April, 2007.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00081 DATED April 19, 2007

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

First 2,000 Gallons	\$15.89 Minimum Bill
Next 2,000 Gallons	6.15 per 1,000 Gallons
Next 6,000 Gallons	5.70 per 1,000 Gallons
Next 10,000 Gallons	5.27 per 1,000 Gallons
Over 20,000 Gallons	4.82 per 1,000 Gallons

Minimum Bills

5/8 Inch X 3/4 Inch	\$15.89 First 2,000 Gallons
1 Inch	28.19 First 4,000 Gallons
1-1/2 Inch	62.39 First 10,000 Gallons
2 Inch	115.09 First 20,000 Gallons
3 Inch	163.29 First 30,000 Gallons
4 Inch	259.69 First 50,000 Gallons