

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
OF NORTH MCLEAN COUNTY WATER) CASE NO. 2008-00228
DISTRICT)

ORDER

On June 16, 2008, North McLean County Water District (“North McLean”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. North McLean purchases water from the West Daviess County Water District (“West Daviess”), city of Calhoun (“Calhoun”) and city of Livermore (“Livermore”).

2. West Daviess notified North McLean that, effective with its July 10, 2008 billing, the wholesale rate would increase from \$2.13 per 1,000 gallons to \$2.26 per 1,000 gallons. West Daviess charges a \$0.67 per 1,000 gallons surcharge to North McLean in addition to the wholesale rate.²

3. North McLean proposed a purchased water adjustment factor of \$0.02 per 1,000 gallons.

¹ KRS 278.015 and 807 KAR 5:068.

² Case No. 2007-00339, Application of West Daviess County Water District for a Rate Surcharge and for a Certificate of Public Convenience and Necessity.

4. During the 12 months ended April 2008, North McLean purchased 13,420,400 gallons of water from West Daviess, 119,066,500 gallons from the city of Calhoun, 2,567,900 from the city of Livermore, and it sold 112,284,600 gallons. The increase in the cost of purchased water is \$1,744.65, resulting in a purchased water adjustment factor of \$0.02 per 1,000 gallons.

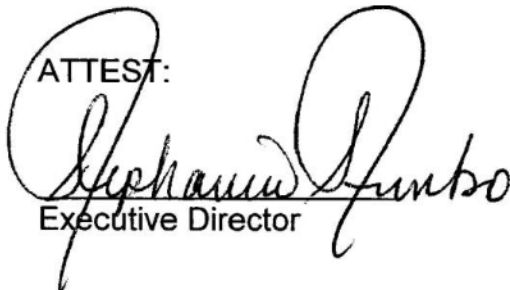
5. The purchased water adjustment factor of \$0.02 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by North McLean are approved.
2. The purchased water adjustment factor of \$0.02 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services on or after July 10, 2008.
4. Within 20 days of the date of this Order, North McLean shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 18th day of July, 2008.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00228 DATED JULY 18, 2008

	New Rate	Base Rate
West Daviess		
Purchases in gallons	13,420,400	13,420,400
Volumetric rate	<u>\$ 2.26 /1,000</u>	<u>\$ 2.13/1,000</u>
	\$ 30,330.10	\$ 28,585.45
	Increased water cost	\$ 1,744.65
Increased water cost		\$1,744.65
Divided by gallons sold		<u>112,284,600</u>
Purchased water adjustment factor		\$0.02 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00228 DATED JULY 18, 2008

The following rates and charges are prescribed for the customers in the area served by North McLean County 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	\$14.14	Minimum Bill
Next	8,000 gallons	5.02	per 1,000 gallons
Next	30,000 gallons	4.51	per 1,000 gallons
Over	40,000 gallons	4.03	per 1,000 gallons