

FOR North Nelson Water District

P.S.C. KY. NO. 1

Second Revised SHEET NO. 1

CANCELLING P.S.C. KY. NO. 1

First SHEET NO. 1

Louisville Water Company

CONTENTS

The title page and pages 1 through 8 inclusive are effective as of the date shown thereon. Original and revised pages as named below contain all changes from the original tariff that are in effect on the date thereof.

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1	Second Revised
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DATE OF ISSUE March 1, 2006

Month / Date / Year

DATE EFFECTIVE May 1, 2006

ISSUED BY Robert K. Miller  
(Signature of Officer)

Month / Date / Year

TITLE Vice President and Treasurer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. N/A DATED N/A

**PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
5/1/2006  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)**

By [Signature]  
Executive Director

FOR North Nelson Water District

P.S.C. KY. NO. 1

Second Revised SHEET NO. 5

Louisville Water Company

CANCELLING P.S.C. KY. NO. 5

First SHEET NO. 5

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RATE SCHEDULE ( continued)

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4. Rates and Payments

LWC agrees to charge LWC's wholesale rate identified in Rule 6.03 of the Board of Water Works Rules and Regulations of \$1.31 plus \$.25 elevated service area surcharge for a total of \$1.56 per thousand gallons of water, plus a flat monthly service charge of \$151.80 per month. This wholesale rate will increase, effective May 1, 2006, to \$1.38 plus \$.25 elevated service area surcharge for a total of \$1.63 per thousand gallons of water, plus a flat monthly service charge of \$159.30 per month. The parties acknowledge that LWC's wholesale water rate may be adjusted annually by the Board of Water Works. The parties further acknowledge that LWC currently forecasts an increase of not more than eight cents (\$.08) per thousand gallons of water for 2007 wholesale water rate, as well as periodic increases in the elevated service area surcharge. NNWD and LWC acknowledge the LWC wholesale rate is determined by LWC's rate-making methodology, and that LWC's rate-making methodology is a reasonable basis for the annual rate adjustments both NNWD and LWC expect during the term of this wholesale water contract. That methodology requires that the wholesale rate be determined by allocating the following components:

- a) Operating Expenses:
- b) Depreciation Expenses:
- c) Return on Plant Investment:

Less expenses common to only retail customers.

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