

FOR North Nelson Water District

P.S.C. KY. NO. 1

Third Revised SHEET NO. 1

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

Second SHEET NO. 1

Louisville Water Company

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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	Third Revised
2	Original
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5	Third Revised
6	Original
7	Original
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DATE OF ISSUE March 5, 2007
Month / Date / Year

DATE EFFECTIVE May 1, 2007
Month / Date / Year

ISSUED BY *Robert H. Muller*
(Signature of Officer)

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
5/1/2007
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

By *[Signature]*
Executive Director

FOR North Nelson Water District

P.S.C. KY. NO. 1

Third Revised SHEET NO. 5

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

Second SHEET NO. 5

Louisville Water Company

RATES AND CHARGES

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 \$1.38 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. This wholesale rate will increase, effective May 1, 2007, to \$1.44 plus \$.27 elevated service area surcharge for a total of \$1.71 per thousand gallons of water, plus a flat monthly service charge of \$169.50 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 eleven cents (\$.11) per thousand gallons of water for 2008 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.

DATE OF ISSUE March 5, 2007
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ISSUED BY Robert W. Miller
(Signature of Officer)

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
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By [Signature]
Executive Director