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Caroline Pitt Clark
Commissioner

January 7, 2008

CERTIFICATE OF SERVICE

RE: Case No. 2007-00510
Bath County Water District

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on January 7, 2008.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/tw
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT) CASE NO.
OF BATH COUNTY WATER DISTRICT) 2007-00510

ORDER

On December 10, 2007, Bath County Water District ("Bath County") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

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

1. Bath County purchases water from Morehead Utility Plant Board ("Morehead Utility") and Mt. Sterling Water and Sewer System ("Mt. Sterling").
2. Morehead Utility notified Bath County that, effective with its January 15, 2008 billing, Morehead Utility's wholesale rate to Bath County would increase from \$0.908 per 1,000 gallons to \$0.961 per 1,000 gallons.
3. Morehead notified Bath County that the monthly capital cost of \$18,628.44 will decrease to \$18,588 on the monthly billing resulting in a \$485.28 annual decrease.
4. Morehead Utility proposed a purchased water adjustment factor of \$0.06 per 1,000 gallons.
5. During the 12 months period ending October 30, 2007, Bath County purchased 385,058,000 gallons from Morehead Utility, 72,315,000 gallons from Mt. Sterling, and it sold 360,866,000 gallons. The increase in the cost of purchased

water is \$19,922.80, resulting in a purchased water adjustment factor of \$0.06 per 1,000 gallons.

6. The purchased water adjustment factor of \$0.06 per 1,000 gallons is fair, just, and reasonable and should be approved.

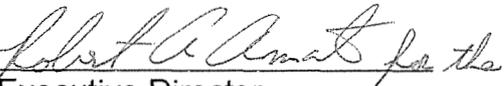
IT IS THEREFORE ORDERED that:

1. The rates proposed by Bath County are approved.
2. The purchased water adjustment factor of \$0.06 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 service rendered on or after January 15, 2008.
4. Within 20 days of the date of this Order, Bath County shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 7th day of January, 2008.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00510 DATED JANUARY 7, 2008

	New Rate	Base Rate	
Morehead Utility			
Purchases in gallons	385,058,000	385,058,000	
Volumetric rate	<u>\$.961/1,000</u>	<u>\$.908/1,000</u>	
	\$370,040.74	\$349,632.66	\$20,408.0
Monthly Capital Cost			
Base Rate	\$18,628.44	\$40.44	
New Rate	<u>\$18,588.00</u>	<u>x 12 months</u>	
	\$40.44	\$485.28	less \$485.28
Mt. Sterling Water			
Purchases in gallons	72,315,000		
No change in rate			
		Increased water cost	\$19,922.80
Increased water cost		\$ 19,922.80	
Divided by gallons sold		<u>360,866,000</u>	
Purchased water adjustment factor		\$0.06 per 1,000 gallons	

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00510 DATED JANUARY 7, 2008

The following rates and charges are prescribed for the customers in the area served by Bath 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.

RATES

Monthly Water Rates

5/8 Inch X 3/4 Inch Meter:

First	2,000 gallons	\$ 11.75	Minimum Bill
Next	3,000 gallons	4.95	per 1,000 gallons
Next	5,000 gallons	3.65	per 1,000 gallons
Next	10,000 gallons	3.05	per 1,000 gallons
Next	30,000 gallons	2.85	per 1,000 gallons
Over	50,000 gallons	2.75	per 1,000 gallons

1 Inch Meter:

First	10,000 gallons	\$44.85	Minimum Bill
Next	10,000 gallons	3.05	per 1,000 gallons
Next	30,000 gallons	2.85	per 1,000 gallons
Over	50,000 gallons	2.75	per 1,000 gallons

First	50,000 gallons	\$160.85	Minimum Bill
Over	50,000 gallons	2.75	per 1,000 gallons

Leak Adjustment Rate \$2.29 per 1,000 gallons

Wholesale Water Rates:

Sharpsburg Water District	\$2.73	per 1,000 gallons
City of Frenchburg	\$2.32	per 1,000 gallons
City of Owingsville		
Monthly Debt Service Payment	\$4,733.91	Minimum Bill
All Usage	\$1.89	per 1,000 gallons

Bulk Sale \$7.34 per 1,000 gallons