COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASE WATER ADJUSTMENT OF)CASE NO. 2007-00313CAWOOD WATER DISTRICT)

On July 17, 2007, Cawood Water District ("Cawood") 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. Cawood purchases water from the Pineville Utility Commission ("Pineville").

2. Pineville notified Cawood that, effective with its July 2007 billing, Pineville's wholesale water rate to Cawood would increase from \$1.87 per 1,000 gallons to \$1.88 per 1,000 gallons. On June 12, 2007, Cawood's Board of Commissioners voted to increase its rates for water service to its customers effective July 1, 2007 to reflect the increased purchased water costs.¹

3. During the 12 months ending May 31, 2007, Cawood purchased a total of 6,094,000 gallons of water and sold 5,641,536 gallons. The increase in the cost of

¹ The minutes of Cawood's Board of Commissioners meeting of June 12, 2007 indicate that the Commissioners authorized the filing of an application for a purchased water adjustment with an effective date that would coincide with the date of Pineville's rate adjustment. <u>See also</u> Affidavit of Lara Pace, Cawood Water District Commissioner (filed Aug. 16, 2007).

purchased water is \$60.94, resulting in a purchased water adjustment factor of \$0.01 per 1,000 gallons.

4. The purchased water adjustment factor of \$0.01 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Cawood are approved.

2. The purchased water adjustment factor of \$0.01 per 1,000 gallons as calculated in Appendix A is approved.

3. The rates in Appendix B, which is attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after July 1, 2007.

4. Within 20 days of the date of this Order, Cawood shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 16th day of August, 2007.

By the Commission

ATTEST:

Executive Director

Case No. 2007-00313

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00313 DATED August 16, 2007

New Rate

Base Rate

Purchases in gallons Volumetric rate 6,094,000 <u>\$1.88/1,000</u> \$11,456.72 6,094,000 <u>\$1.87/1,000</u> \$11,395.78 Increased water cost

60.94

Increased water cost Divided by gallons sold Purchased water adjustment factor \$ 60.94 <u>5,641,536</u> \$0.01 per 1,000

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00313 DATED August 16, 2007

The following rates and charges are prescribed for the customers in the area served by Cawood 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 AND CHARGES

Monthly Water Rates- Path Fork Area

First	2,000	gallons	\$ 17.88	Minimum Bill
Next	8,000	gallons	6.83	per 1,000 gallons
Over	10,000	gallons	5.23	per 1,000 gallons