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President  
Garrard County Water Association, Inc.  
315 Lexington Road  
P. O. Box 670  
Lancaster, KY 40444

March 30, 2006

CERTIFICATE OF SERVICE

RE: Case No. 2006-00113  
Garrard County Water Association, Inc.

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 March 30, 2006.

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Executive Director

BOD/sh  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF GARRARD COUNTY	)	
WATER ASSOCIATION FOR A	)	CASE NO. 2006-00113
PURCHASED WATER ADJUSTMENT	)	

O R D E R

On March 9, 2006, Garrard County Water Association ("Garrard County") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.012; and 807 KAR 5:068.

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

1. Garrard County purchases water from the city of Lancaster ("Lancaster"), the city of Danville ("Danville"), and the city of Berea ("Berea").
2. Lancaster notified Garrard County that, effective April 1, 2006, Lancaster's wholesale water rate to Garrard County would increase from \$1.70 per 1,000 gallons to \$1.78 per 1,000 gallons.
3. During the 12 months ending January 31, 2006, Garrard County purchased 244,091,540 gallons from Lancaster, 88,849,761 gallons from Danville and 26,512,860 from Berea and sold 293,581,310. The increase in the cost of purchased water is \$19,527, resulting in a purchased water adjustment factor of \$0.07 per 1,000 gallons.
4. The purchased water adjustment of \$0.07 per 1,000 gallons is fair, just, and reasonable and should be approved.

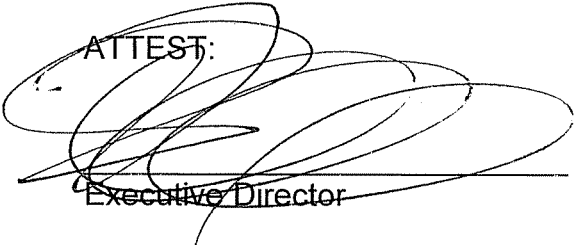
IT IS THEREFORE ORDERED that:

1. Garrard County's proposed rates are approved.
2. The purchased water adjustment of \$0.07 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for water service rendered on and after April 1, 2006.
3. The proposed tariff sheets contained in Garrard County's application are accepted as filed.

Done at Frankfort, Kentucky, this 30th day of March, 2006.

By the Commission

ATTEST:



Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00113 DATED March 30, 2006.

The following rates and charges are prescribed for the customers in the area served by Garrard County Water Association. 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

##### 5/8" x 3/4" Meter

First	1,000	gallons	\$ 10.00	Minimum bill
Next	1,000	gallons	5.10	per 1,000 gallons
Next	1,000	gallons	4.00	per 1,000 gallons
Next	2,000	gallons	3.80	per 1,000 gallons
Over	5,000	gallons	3.50	per 1,000 gallons

##### 1" Meter

First	5,000	gallons	\$26.70	Minimum bill
Over	5,000	gallons	3.50	per 1,000 gallons

##### 1-1/2" Meter

First	10,000	gallons	\$44.20	Minimum bill
Over	10,000	gallons	3.50	per 1,000 gallons

##### 2" Meter

First	25,000	gallons	\$ 96.70	Minimum bill
Over	25,000	gallons	3.50	per 1,000 gallons