

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|----------------------------|---|---------------------|
| PURCHASED WATER ADJUSTMENT |) | |
| OF MARION COUNTY WATER |) | CASE NO. 2007-00109 |
| DISTRICT |) | |

O R D E R

On March 14, 2007, Marion County Water District ("Marion Water") 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. Marion Water purchases water from the Lebanon Water Works Co. ("Lebanon").
2. Lebanon notified Marion Water that, effective April 1, 2007, Lebanon's wholesale water rate to Marion Water would increase from \$2.07 per 1,000 gallons to \$2.86 per 1,000 gallons. Marion Water proposes to increase the water rates to its customers effective May 1, 2007.
3. During the 12 months ending December 31, 2006, Marion Water purchased a total of 446,193,819 gallons of water and sold 379,971,233 gallons. The increase in the cost of purchased water is \$352,493.12, resulting in a purchased water adjustment of \$0.93 per 1,000 gallons.

4. The purchased water adjustment of \$0.93 per 1,000 gallons is fair, just, and reasonable and should be approved.

5. Marion Water filed a proposed tariff sheet with the application. The proposed tariff sheet contains rates in which Marion Water revised the rate design from its current rate design. 807 KAR 5:068 does not allow revisions in rate design to be made in filings under this regulation.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Marion Water are denied.

2. The purchased water adjustment of \$0.93 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after May 1, 2007.

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

Done at Frankfort, Kentucky, this 9th day of April, 2007.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00109 DATED APRIL 9, 2007

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

Monthly Water Rates

5/8" X 3/4" Meter

| | | | | |
|----------|---------|---------|----------|-------------------|
| First | 1,000 | gallons | \$ 11.04 | Minimum bill |
| Next | 9,000 | gallons | 4.46 | per 1,000 gallons |
| Next | 90,000 | gallons | 3.92 | per 1,000 gallons |
| All Over | 100,000 | gallons | 3.81 | per 1,000 gallons |

1" Meter

| | | | | |
|----------|---------|---------|----------|-------------------|
| First | 1,000 | gallons | \$ 18.74 | Minimum bill |
| Next | 9,000 | gallons | 4.46 | per 1,000 gallons |
| Next | 90,000 | gallons | 3.92 | per 1,000 gallons |
| All Over | 100,000 | gallons | 3.81 | per 1,000 gallons |

2" Meter

| | | | | |
|----------|---------|---------|----------|-------------------|
| First | 1,000 | gallons | \$ 26.17 | Minimum bill |
| Next | 9,000 | gallons | 4.46 | per 1,000 gallons |
| Next | 90,000 | gallons | 3.92 | per 1,000 gallons |
| All Over | 100,000 | gallons | 3.81 | per 1,000 gallons |