Ernie Fletcher
Governor

Teresa J. Hill, Secretary
Environmental and Public
Protection Cabinet

Timothy J. LeDonne
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Mark David Goss
Chairman

John W. Clay
Commissioner

August 16, 2007

Lana Pace
Finance Officer
Cawood Water District
54 Plant Road
P. O. Box 429
Cawood, KY 40815

CERTIFICATE OF SERVICE

RE: Case No. 2007-00313
    Cawood 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 August 16, 2007.

_____
Executive Director

BOD/tw
Enclosure

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

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. See also 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:
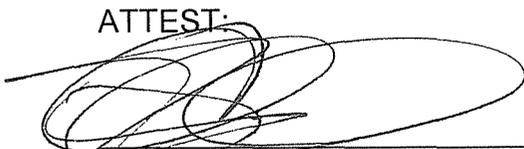
Executive Director

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	6,094,000	6,094,000		
Volumetric rate	$1.88/1,000	$1.87/1,000		
	$11,456.72	$11,395.78		
			Increased water cost	60.94

Increased water cost	$ 60.94
Divided by gallons sold	5,641,536
Purchased water adjustment factor	$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