

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF) CASE NO. 2007-00355
KIRKSVILLE WATER ASSOCIATION)

ORDER

On August 6, 2007, Kirksville Water Association ("Kirksville") 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. Kirksville purchases water from the Richmond Utility Commission ("Richmond").
2. Richmond notified Kirksville that, effective with its July 1, 2007 billing, Richmond's wholesale water rate to Kirksville would increase from \$2.259 per 1,000 gallons to \$2.700 per 1,000 gallons.
3. On July 18, 2007, Kirksville's Board of Directors approved a resolution directing that the proposed rates become effective immediately. The proposed rates reflect the increased purchase cost of water resulting from the increase in Richmond's wholesale rate.

4. During the 12 months ending May 31, 2007, Kirksville purchased a total of 112,550,000 gallons of water and sold 96,793,461 gallons. The increase in the cost of purchased water is \$49,646, resulting in a purchased water adjustment factor of \$0.51 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.51 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Kirksville are approved.

2. The purchased water adjustment factor of \$0.51 per 1,000 gallons as calculated in Appendix A, which is attached hereto and incorporated herein, is approved.

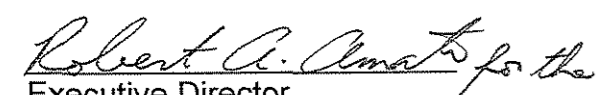
3. The rates in Appendix B, which is attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after July 18, 2007.

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

Done at Frankfort, Kentucky, this 5th day of September, 2007.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00355 DATED September 5, 2007

	New Rate	Base Rate
Purchases in gallons	112,550,000	112,550,000
Volumetric rate	<u>\$2,259/1,000</u>	<u>\$2,700/1,000</u>
	\$303,394,275	\$253,687,700
		Increased water cost \$49,646
Increased water cost	\$ 49,646	
Divided by gallons sold	<u>96,793,461</u>	
Purchased water adjustment factor	\$0.51 per 1,000	

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00355 DATED September 5, 2007

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

RATES AND CHARGES

Monthly Water Rates- Kirksville Water Association

First	2,000 gallons	\$ 16.40	Minimum Bill
Next	3,000 gallons	7.88	per 1,000 gallons
Next	5,000 gallons	6.54	per 1,000 gallons
Over	10,000 gallons	5.43	per 1,000 gallons