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December 20, 2007

CERTIFICATE OF SERVICE

RE: Case No. 2007-00441
South 641 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 December 20, 2007.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/tw
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTH 641 WATER)
DISTRICT FOR AN ADJUSTMENT)
OF RATES PURSUANT TO) CASE NO. 2007-00441
THE ALTERNATIVE RATE FILING)
PROCEDURE FOR SMALL UTILITIES)
,

O R D E R

On October 22, 2007, South 641 Water District ("South 641 Water") filed its application for Commission approval of a proposed increase in water rates. South 641 Water proposed to increase its annual revenue from water rates by \$37,140, an increase of 34.8 percent over normalized water revenues of \$106,602. This proposal would increase the monthly water bill for 5,000 gallons of usage from \$29.40 to \$37.76, an increase of 28.4 percent.

By Order dated November 28, 2007, the Commission issued a Staff Report containing Commission Staff's findings and recommendations regarding the proposed rate adjustment. In its report, Staff recommended that South 641 Water's proposed rates be accepted. In its Order, the Commission directed South 641 Water to file any written comments regarding the Staff Report or requests for a hearing or informal conference within 10 days. If no request for hearing was received within that period, the Commission further ordered, the case would stand submitted for decision. No comments or requests for a hearing or informal conference have been received.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and should be adopted as the findings of the Commission.

2. The rates in Appendix A will produce annual revenue from water service of \$143,742.

IT IS THEREFORE ORDERED that:

1. The findings contained in the Staff Report are adopted and incorporated by reference into this Order as if fully set out herein.

2. The rates in Appendix A are approved for service rendered by South 641 Water on and after the date of this Order.

3. Within 30 days of the date of this Order, South 641 Water shall file with the Commission revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 20th day of December, 2007.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00441 DATED December 20, 2007

The following rates and charges are prescribed for the customers in the area served by South 641 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

| | |
|-------------------------|------------------------|
| First 2,000 gallons | \$17.78 minimum bill |
| Next 3,000 gallons | 6.66 per 1,000 gallons |
| Next 5,000 gallons | 5.75 per 1,000 gallons |
| All Over 10,000 gallons | 4.86 per 1,000 gallons |