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

July 2, 2008

CERTIFICATE OF SERVICE

RE: Case No. 2008-00210
Garrard County Water Association, Inc.

I, Stephanie Stumbo, 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 July 2, 2008.

Executive Director

SS/tw
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	
OF GARRARD COUNTY WATER)	CASE NO. 2008-00210
ASSOCIATION)	

ORDER

On June 10, 2008, 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"), city of Danville ("Danville") and city of Berea ("Berea").
2. Lancaster notified Garrard County that, effective with its July 10, 2008 billing, Lancaster's wholesale rate to Garrard County would increase from \$1.91 per 1,000 gallons to \$1.97 per 1,000 gallons.
3. Garrard County proposed a purchased water adjustment factor of \$0.05 per 1,000 gallons.
4. During the 12 months ended April 2008, Garrard County purchased 253,636,900 gallons of water from Lancaster, 98,348,013 gallons from Danville and 26,502,388 gallons from Berea, and it sold 317,383,081 gallons of water. The increase

in the cost of purchased water is \$15,218.21, resulting in a purchased water adjustment factor of \$0.05 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.05 per 1,000 gallons is fair, just, and reasonable and should be approved.

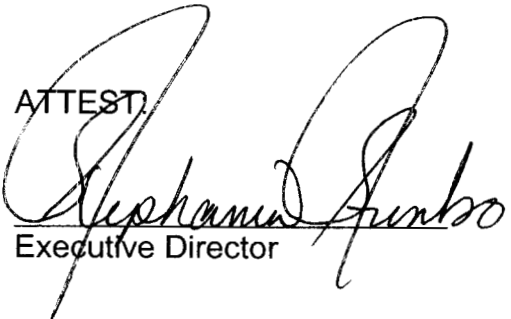
IT IS THEREFORE ORDERED that:

1. The rates proposed by Garrard County are approved.
2. The purchased water adjustment factor of \$0.05 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services on or after July 10, 2008.
4. Within 20 days of the date of this Order, Garrard County shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 2nd day of July, 2008.

By the Commission

ATTEST


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00210 DATED JULY 2, 2008

	New Rate	Base Rate
City of Lancaster		
Purchases in gallons	253,636,900	253,636,900
Volumetric rate	<u>\$ 1.97 /1,000</u>	<u>\$ 1.91/1,000</u>
	\$ 499,664.69	\$484,446.48
	Increased water cost	\$ 15,218.21
Increased water cost		\$15,218.21
Divided by gallons sold		<u>317,383,081</u>
Purchased water adjustment factor		\$0.05 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00210 DATED JULY 2, 2008

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	\$10.13	Minimum Bill
Next	1,000 gallons	5.23	per 1,000 gallons
Next	1,000 gallons	4.13	per 1,000 gallons
Next	2,000 gallons	3.93	per 1,000 gallons
Over	5,000 gallons	3.63	per 1,000 gallons

1" Meter:

First	5,000 gallons	\$27.35	Minimum Bill
Over	5,000 gallons	3.63	per 1,000 gallons

1 1/2" Meter:

First	10,000 gallons	45.50	per 1,000 gallons
Over	10,000 gallons	3.63	per 1,000 gallons

2" Meter:

First	25,000 gallons	\$99.95	Minimum Bill
Over	25,000 gallons	3.63	per 1,000 gallons