COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF EAST DAVIESS COUNTY WATER ASSOCIATION, INC.

CASE NO. 2007-00189

<u>ORDER</u>

On May 11, 2007, East Daviess County Water Association, Inc. ("East Daviess") 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. East Daviess purchases water from the Owensboro Municipal Utilities ("Owensboro").

2. Owensboro notified East Daviess that, effective June 1, 2007, Owensboro's wholesale water rate to East Daviess would increase from \$1.148 per 1,000 gallons to \$1.250 per 1,000 gallons. East Daviess proposes to increase the water rates to its customers effective June 1, 2007.

3. During the 12 months ending May 31, 2006, East Daviess purchased a total of 296,081,010 gallons of water and sold 252,536,902 gallons. The increase in the cost of purchased water is \$30,200, resulting in a purchased water adjustment of \$0.12 per 1,000 gallons.

4. The purchased water adjustment of \$0.12 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by East Daviess are approved.

2. The purchased water adjustment of \$0.12 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 June 1, 2007.

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

Done at Frankfort, Kentucky, this 8th day of June, 2007.

By the Commission

ATTEST:

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Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00189 DATED JUNE 8, 2007

The following rates and charges are prescribed for the customers in the area served by East Daviess County Water Association, Inc. 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

<u>5/8" X 3/4" M</u> First Next	2,000 4,000	gallons gallons	\$14.09 4.72	Minimum Bill per 1,000 gallons
Next All Over	44,000 50,000	gallons gallons	3.77 3.07	per 1,000 gallons per 1,000 gallons
<u>¾" Meter</u>				
First	3,000	gallons	\$ 18.81	Minimum Bill
Next	3,000	gallons	4.72	per 1,000 gallons
Next	44,000	gallons	3.77	per 1,000 gallons
Next	50,000	gallons	3.07	per 1,000 gallons
1 " Meter				
First	6,000	gallons	\$ 32.97	Minimum Bill
Next	44,000	gallons	3.77	per 1,000 gallons
Over	50,000	gallons	3.07	per 1,000 gallons
1 1⁄2" Meter				
First	10,000	gallons	\$ 48.05	Minimum Bill
Next	40,000	gallons	3.77	per 1,000 gallons
Over	50,000	gallons	3.07	per 1,000 gallons
2" Meter				
First	20,000	gallons	\$ 85.75	Minimum Bill
Next	30,000	gallons	3.77	per 1,000 gallons
Over	50,000	gallons	3.07	per 1,000 gallons
Wholesale Water Rates:				
Southeast Daviess Water District			\$1.50	per 1,000 gallons
Leak Adjustment Rate:			\$1.92	per 1,000 gallons