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Commissioner

January 11, 2008

CERTIFICATE OF SERVICE

RE: Case No. 2007-00520
Sharpsburg Water District

I, Robert A. Amato, Deputy 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 January 11, 2008.

Deputy Executive Director

RAA/rs
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
OF SHARPSBURG WATER DISTRICT) CASE NO. 2007-00520
)

On December 14, 2007, Sharpsburg Water District (“Sharpsburg”) 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. Sharpsburg purchases water from Bath County Water District (“Bath County”), and the city of Carlisle, Kentucky (“Carlisle”).
2. Bath County notified Sharpsburg that, effective with its January 15, 2008 billing, Bath County’s wholesale rate to Sharpsburg would increase from \$2.67 per 1,000 gallons to \$2.73 per 1,000 gallons.
3. Sharpsburg proposes a purchased water adjustment factor of \$0.05 per 1,000 gallons.
4. During the 12-month period ending October 30, 2007, Sharpsburg purchased 75,843,000 gallons of water from Bath County and 35,849,600 gallons of water from Carlisle. It sold 86,205,200 gallons of water during the same period.

5. The increase in the cost of purchased water is \$4,550.58, resulting in a purchased water adjustment factor of \$0.05 per 1,000 gallons.

6. Sharpsburg proposes to increase the rates to its customers effective January 26, 2008.

7. 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 Sharpsburg are approved.

2. The purchased water adjustment factor of \$0.05 per 1,000 gallons as calculated in Appendix A, which is attached hereto and incorporated herein, is approved.

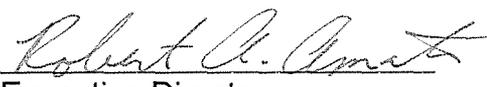
3. The rates in Appendix B, which is attached hereto and incorporated herein, are fair, just, and reasonable and are approved for service provided on or after January 26, 2008.

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

Done at Frankfort, Kentucky, this 11th day of January, 2008.

By the Commission

ATTEST:


Deputy Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
 COMMISSION IN CASE NO. 2007-00520 DATED JANUARY 11, 2008

	New Rate	Base Rate	
Bath County WD			
Purchases in gallons	75,843,000	75,843,000	
Volumetric rate	<u>\$ 2.73/1,000</u>	<u>\$ 2.67/1,000</u>	
	\$207,051.40	\$202,500.81	
 City of Carlisle			
Purchases in gallons	35,849,600		
No change in rate			
		Increased water cost	\$4,550.58
Increased water cost		\$ 4,550.58	
Divided by gallons sold		<u>86,205,200</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. 2007-00520 DATED JANUARY 11, 2008

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

5/8" x 3/4" Meter

First	2,000 gallons	\$18.74	Minimum Bill
Next	3,000 gallons	4.37	per 1,000 gallons
Next	5,000 gallons	3.87	per 1,000 gallons
Over	10,000 gallons	3.67	per 1,000 gallons

1" Meter

First	5,000 gallons	\$ 31.85	Minimum Bill
Next	5,000 gallons	3.87	per 1,000 gallons
Over	10,000 gallons	3.67	per 1,000 gallons

2 " Meter

First	16,000 gallons	\$ 73.22	Minimum Bill
Over	16,000 gallons	3.67	per 1,000 gallons

Schools

First	50,000 gallons	\$198.00	Minimum Bill
Over	50,000 gallons	3.67	per 1,000 gallons