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April 11, 2008

CERTIFICATE OF SERVICE

RE: Case No. 2008-00098
Morgan County Water District

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 April 11, 2008.

Executive Director

SS/tw
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
OF MORGAN COUNTY WATER) CASE NO. 2008-00098
DISTRICT)

ORDER

On March 18, 2008, Morgan County Water District ("Morgan County") 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. Morgan County purchases water from West Liberty Waterworks ("West Liberty"), Cave Run Water Commission, Inc. ("Cave Run") and Paintsville Utility Commission ("Paintsville").
2. West Liberty notified Morgan County that, effective with its April 1, 2008 billing, West Liberty's wholesale rate to Morgan County would increase from \$2.41 per 1,000 gallons to \$2.55 per 1,000 gallons.
3. Morgan County proposed a purchased water adjustment factor of \$0.12 per 1,000 gallons.
4. During the 12 months ended February 2008, Morgan County purchased 97,361,000 gallons of water from West Liberty, 67,907,000 gallons from Cave Run, 1,488,000 gallons from Paintsville, and it sold 116,530,770 gallons. The increase in the

cost of purchased water is \$13,630.54, resulting in a purchased water adjustment factor of \$0.12 per 1,000 gallons.

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

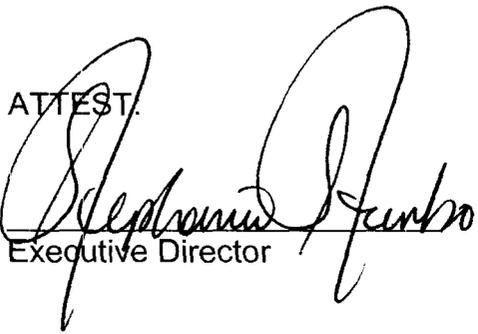
IT IS THEREFORE ORDERED that:

1. The rates proposed by Morgan County are approved.
2. The purchased water adjustment factor of \$0.12 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 April 1, 2008.
4. Within 20 days of the date of this Order, Morgan County shall file with the Commission revised tariff sheets showing the rates approved herein.

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

By the Commission

ATTEST.


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00098 DATED APRIL 11, 2008

	New Rate	Base Rate
West Liberty		
Purchases in gallons	97,361,000	97,361,000
Volumetric rate	<u>\$ 2.55 /1,000</u>	<u>\$ 2.41/1,000</u>
	\$248,270.55	\$234,640.01
	Increased water cost	\$ 13,630.54
Increased water cost		\$13,630.54
Divided by gallons sold		<u>116,530,770</u>
Purchased water adjustment factor		\$0.12per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00098 DATED APRIL 11, 2008

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

5/8" x 3/4" Meter:

First	2,000 gallons	\$19.65	Minimum Bill
Next	3,000 gallons	7.15	per 1,000 gallons
Next	5,000 gallons	6.55	per 1,000 gallons
Next	5,000 gallons	5.95	per 1,000 gallons
Over	15,000 gallons	5.35	per 1,000 gallons

1" Meter:

First	5,000 gallons	\$41.10	Minimum Bill
Next	5,000 gallons	6.55	per 1,000 gallons
Next	5,000 gallons	5.95	per 1,000 gallons
Over	15,000 gallons	5.35	per 1,000 gallons

2" Meter:

First	15,000 gallons	\$103.60	Minimum Bill
Over	15,000 gallons	5.35	per 1,000 gallons