



Steven L. Beshear
Governor

David L. Armstrong
Chairman

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

James Gardner
Vice-Chairman

John W. Clay
Commissioner

August 29, 2008

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

CERTIFICATE OF SERVICE

RE: Case No. 2008-00326
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 August 29, 2008.

Executive Director

SS/rs
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
OF THE GARRARD COUNTY WATER) CASE NO. 2008-00326
ASSOCIATION, INC.)

ORDER

On August 7, 2008, Garrard County Water Association, Inc. ("Garrard") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Garrard purchases water from the city of Berea ("Berea"), city of Danville ("Danville") and city of Lancaster ("Lancaster").
2. Berea notified Garrard that, effective with its September 10, 2008 billing, the wholesale rate would increase from \$1.95 per 1,000 gallons to \$2.20 per 1,000 gallons.
3. Garrard proposes a purchased water adjustment factor of \$0.02 per 1,000 gallons.
4. During the 12-month period ending June 2008, Garrard purchased 254,484,600 gallons from Lancaster, 26,488,176 gallons from Berea, and 99,479,139

¹ KRS 278.012 and 807 KAR 5:068.

gallons from Danville and sold 312,046,441 gallons of water during the same time period. The increase in the cost of purchased water is \$6,622.04, resulting in a purchased water adjustment factor of \$0.02 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.02 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Garrard are approved.

2. The purchased water adjustment factor of \$0.02 per 1,000 gallons as calculated in Appendix A, which is attached hereto and incorporated herein, is approved.

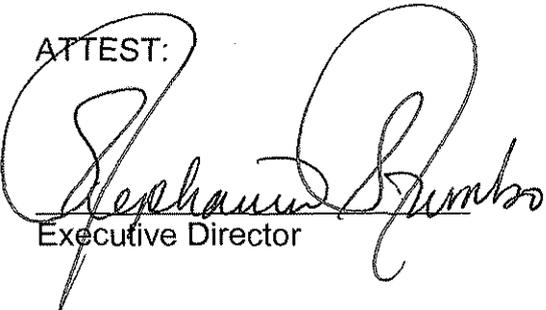
3. The rates in Appendix B, which is attached hereto and incorporated herein, are fair, just, and reasonable and are approved for service provided on or after September 10, 2008.

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

Done at Frankfort, Kentucky, this 29th day of August, 2008.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00326 DATED AUGUST 29, 2008

	New Rate	Base Rate
City of Berea		
Purchases in gallons	26,488,176	26,488,176
Volumetric rate	<u>\$2.20/1,000</u>	<u>\$ 1.95/1,000</u>
	\$58,273.99	\$51,651.94
City of Lancaster		
Purchases in gallons	254,484,600	
No change in rate		
City of Danville		
Purchases in gallons	99,479,139	
No change in rate		
Increased water cost	\$6,622.04	
Increased water cost		\$6,622.04
Divided by gallons sold		<u>312,046,441</u>
Purchased water adjustment factor		\$0.02 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00326 DATED AUGUST 29, 2008

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

RESIDENTIAL, FARM AND SMALL COMMERCIAL

5/8" x 3/4" Meter

First	1,000 gallons	\$10.15	Minimum Bill
Next	1,000 gallons	5.25	per 1,000 gallons
Next	1,000 gallons	4.15	per 1,000 gallons
Next	2,000 gallons	3.95	per 1,000 gallons
All Over	5,000 gallons	3.65	per 1,000 gallons

LARGE COMMERCIAL, DAIRY FARM AND SCHOOL CONNECTIONS

1-Inch Meter

First	5,000 gallons	\$ 27.45	Minimum Bill
All Over	5,000 gallons	3.65	per 1,000 gallons

1 1/2" Meter

First	10,000 gallons	\$45.70	Minimum Bill
All Over	10,000 gallons	3.65	per 1,000 Gallons

2 Inch Meter

First	25,000 gallons	\$ 100.45	Minimum Bill
All Over	25,000 gallons	3.65	per 1,000 gallons