

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|----------------------------------|---|------------|
| THE APPLICATION OF THE CONSUMERS |) | |
| WATER DISTRICT FOR APPROVAL OF A |) | CASE NO. |
| PROPOSED INCREASE IN RATES FOR |) | 2007-00057 |
| WATER SERVICE |) | |

ORDER

On February 5, 2007, Consumers Water District (“Consumers”) filed its application for Commission approval of a proposed increase in water rates. Consumers proposed to increase its annual revenue from water rates by 36.49 percent, or \$107,978 in additional water revenue. This proposal would increase the monthly water bill for 5,000 gallons of usage from \$15.28 to \$20.86, an increase of 36.5 percent.

By Order dated March 13, 2007, the Commission issued a Staff Report that was prepared upon review of Consumers’ test-year operations. Staff’s report recommended that Consumers’ proposed rate increase be accepted. The Order granted 10 days to file written comments regarding the Staff Report or requests for a hearing or informal conference. No comments or requests for a hearing or informal conference were received in response to the March 13, 2007 Order.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and should be adopted as the findings of the Commission.

2. The rates in Appendix A will produce annual revenue from water service of \$403,902.

IT IS THEREFORE ORDERED that:

1. The findings contained in the Staff Report are adopted and incorporated by reference into this Order as if fully set out herein.

2. The rates in Appendix A are approved for service rendered by Consumers on and after the date of this Order.

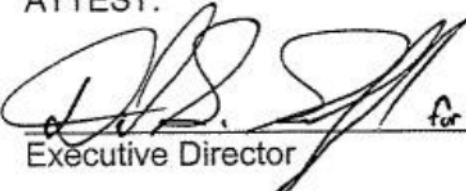
3. Within 30 days of the date of this Order, Consumers shall file with the Commission its revised tariff setting out the rates approved herein.

4. Three years from the effective date of this Order, Consumers shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Done at Frankfort, Kentucky, this 29th day of March, 2007.

By the Commission

ATTEST:


Executive Director *for Beth O'Donnell*

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00057 DATED March 29, 2007

The following rates and charges are prescribed for the customers in the area served by Consumers 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 Inch Meter

| | | |
|-------|----------------|------------------------|
| First | 2,000 Gallons | \$12.01 Minimum Bill |
| Next | 8,000 Gallons | 2.95 per 1,000 Gallons |
| Next | 10,000 Gallons | 2.73 per 1,000 Gallons |
| Next | 30,000 Gallons | |

1 Inch Meter

| | | |
|-------|----------------|------------------------|
| First | 10,000 Gallons | \$35.61 Minimum Bill |
| Next | 10,000 Gallons | 2.73 per 1,000 Gallons |
| Next | 30,000 Gallons | 2.53 per 1,000 Gallons |
| Over | 50,000 Gallons | 2.12 per 1,000 Gallons |

2 Inch Meter

| | | |
|-------|----------------|------------------------|
| First | 20,000 Gallons | \$62.91 Minimum Bill |
| Next | 30,000 Gallons | 2.53 per 1,000 Gallons |
| Over | 50,000 Gallons | 2.12 per 1,000 Gallons |