

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.

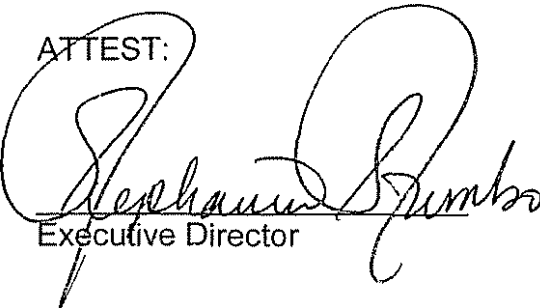
3. The rates in Appendix B, which is attached hereto and incorporated herein, are fair, just, and reasonable and are approved for service provided on or after September 10, 2008.

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:


Stephanie S. Smith
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 |