

July 18, 2011

Executive Director
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602

Re; Case No. 2010-00432 Oldham Woods Sanitation Rate Case

Dear Sir:

In response to the Commission Staff's Report dated July 7, 2011 in the above-referenced rate case, Oldham Woods Sanitation, Inc. provides the following comments. Oldham Woods agrees with the Staff's recommendation of a higher revenue requirement than requested and a monthly sewer rate of \$36.05. Therefore, Oldham Woods has complied with the Commission's Order by mailing a copy of the Required Notice shown as Appendix B to the PSC Order dated July 7, 2011 to each of its customers on July 18, 2011, and has attached the Notice and a written verification statement.

Sincerely,



Georgann Martin, President
Oldham Woods Sanitation, Inc.

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PUBLIC SERVICE
COMMISSION

Written Statement of Verification

I, Georgann Martin, being the President of Oldham Woods Sanitation, Inc, do hereby verify that the attached notice of proposed rate increase was mailed to Oldham Woods's sewer customers on July 18, 2011.

Georgann Martin
Georgann Martin, President

7-20-11
Date

Subscribed and sworn to me by Georgann Martin, President of Oldham Woods Sanitation, Inc, on this 7/20, 2011

Gregory Gubbiol
Notary Public
In and For Said County and State
exp 8/9/13.

APPENDIX B
STAFF REPORT CASE NO. 2010-00432
CALCULATION OF REVENUE REQUIREMENT

Pro forma operating expenses before taxes	\$ 39,558
Divide by: Operating ratio	88%
Total revenue required before taxes	44,952
Less: Pro forma operating expenses before taxes	<u>(39,558)</u>
Net income allowed after taxes	5,394
Multiply by: Tax gross up factor	<u>1.251564456</u>
Net operating income before taxes	6,751
Plus: Operating expenses before taxes	39,558
Revenue requirement	<u>\$ 46,309</u>
Revenue	100.00000%
Less: State tax	<u>6.00000%</u>
Sub-total	94.00000%
Less: Federal tax, 15% of sub-total	<u>14.10000%</u>
Percent change in NOI	<u>79.90000%</u>
Revenue conversion factor (Revenue of 1 divided by percent change of NOI)	<u>125.15645%</u>
Revenue Requirement	\$ 46,309
Divide by: Pro forma number of bills (107 x 12)	<u>1,284</u>
Monthly Rate	<u>\$ 36.07</u>