

EAST PENDLETON CO. WATER DISTRICT

601 Woodson Road
P. O. Box 29
Falmouth, KY 41040
(859) 654-2100
(859) 654-3144 Fax

RECEIVED

JUL 12 2013

PUBLIC SERVICE
COMMISSION

July 10, 2013

Public Service Commission
Commonwealth of Kentucky
P.O. Box 615, 211 Sower Blvd
Frankfort, KY 40602-0615

Re: Rate Case No. 2013-00103
East Pendleton Water District

Dear Commissioners:

In response to the Notice of Filing of Commission Staff Report dated June 28, 2013, the Board of Commissioners of the East Pendleton Water District made the following resolutions via board meeting July 9, 2013:

- 1) The Board of Commissioners moved to accept the higher increase in rates recommended by the Public Service Commission (PSC) based upon the pro forma financial statement amounts determined by the PSC staff (Attachment B to the Notice of Filing of Commission Staff Report).
- 2) The Board of Commissioners agrees with the PSC's recommendation to adjust the depreciable lives on certain classes of assets, using the average of lives as determined by the NARUC Study (Attachment D of the Notice of Filing of Commission Staff Report). This will be implemented as of and for the year ended December 31, 2013.
- 3) In response to the recommendations concerning internal control procedures for the sewer system cash bank account, the Board of Commissioners is considering separating the sewer cash bank account from the water account. Internally, the sewer system maintains separate general ledger account numbers for the sewer, even though the cash is comingled in one account.

If you have any further questions, please do not hesitate to contact the East Pendleton Water District.

Respectfully submitted,


Signature

MANAGER

Title