

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF GALLATIN COUNTY WATER)
DISTRICT FOR THE APPROVAL OF INCREASED) CASE NO. 2011-00378
MONTHLY RATES AND FOR APPROVAL OF AN)
INCREASE IN ITS METER CONNECTION FEE)

ORDER

On September 19, 2011, Gallatin County Water District ("Gallatin District") filed its application for an adjustment of its rates for water service. Finding that further proceedings are necessary to determine the reasonableness of the proposed rates and that a procedural schedule should be established to ensure the orderly review of Gallatin District's application,¹ the Commission HEREBY ORDERS that:

1. This proceeding is established to investigate the reasonableness of Gallatin District's proposed rates.
2. Gallatin District shall not place its proposed rates into effect until complying with the provisions of KRS 278.180 and 807 KAR 5:011, Sections 6 and 9.

¹ Although Gallatin District has proposed an effective date of November 1, 2011 for the proposed rate adjustment, we find that no action is necessary to suspend these proposed rates. No revision to an existing tariff may be made unless in compliance with KRS 278.180 and 807 KAR 5:011, Sections 6 and 9. 807 KAR 5:011, Section 6(4), expressly provides that a modification to an existing tariff sheet may be made by filing a revised tariff sheet in accordance with 807 KAR 5:011. As the proposed tariff sheet revision was unsigned, it did not comply with 807 KAR 5:011, Section 4, and cannot take effect.

3. No later than January 17, 2012, Commission Staff shall file with the Commission and serve upon all parties of record a report containing its findings and recommendations on Gallatin District's application.

4. The parties shall file with the Commission their written comments on and any objections to the findings and recommendations contained in the Commission Staff Report no later than January 30, 2012, or 14 days after the date of the filing of the Commission Staff Report, whichever occurs earlier. Any party may file with such submission any additional evidence for the Commission's consideration.

5. A party's failure to file written objections to a finding or recommendation contained in the Staff Report by January 30, 2012, or 14 days after the date of the filing of the Commission Staff Report, whichever occurs earlier, shall be deemed as agreement with that finding or recommendation.

6. No later than January 30, 2012, or 14 days after the date of the filing of the Commission Staff Report, whichever occurs earlier, each party shall notify the Commission in writing whether this matter may be submitted for decision based upon the existing record and without hearing.

7. Unless all parties request that this matter be submitted for decision upon the existing record, an informal conference shall be held in this matter on February 6, 2012 at 10:00 a.m., Eastern Standard Time, at the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.

8. Unless all parties request that this matter be submitted for decision upon the existing record, a formal hearing in this matter shall be held on

February 22, 2012, beginning at 9:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.

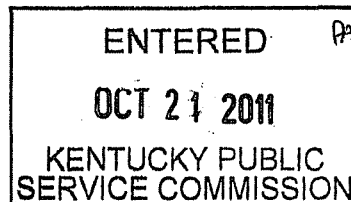
9. Each party shall file with the Commission, no later than February 15, 2012, a list of the persons it intends to call as witnesses at the scheduled hearing and a summary of each witness's expected testimony.

10. Gallatin District shall publish notice of the scheduled hearing in accordance with 807 KAR 5:011, Section 8, no later than February 15, 2012.

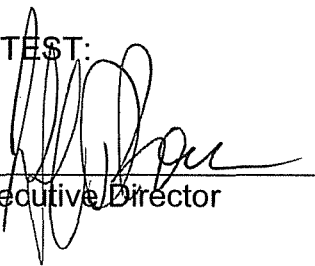
11. Pursuant to KRS 278.360, the record of the formal hearing in this matter shall be by videotape.

12. Commission Staff shall make a written exhibit list and shall file this list with the Commission with all exhibits and a copy of the video transcript of the hearing.

By the Commission



ATTEST:


Executive Director

Case No. 2011-00378

Vic Satchwell
Chairman
Gallatin County Water District
4500 Highway 455
Sparta, KY 41086