

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BIG BEAR WASTEWATER,)
INC. FOR A RATE ADJUSTMENT PURSUANT TO) CASE NO.
THE ALTERNATIVE RATE FILING PROCEDURE) 99-114
FOR SMALL UTILITIES)

ORDER

On April 19, 1999, Big Bear Wastewater, Inc. ("Big Bear") filed its application for Commission approval of proposed sewer rates that would generate additional annual revenues of \$5,349, an increase of 22 percent above normalized operating revenues.

On June 3, 1999, the Commission published a report of Commission Staff's findings and recommendations regarding Big Bear's proposed rate adjustment. In its report, Commission Staff recommended approval of Big Bear's proposed rate increase. On that same day, the Commission directed all parties of record to file any written comments regarding the Staff Report or any requests for a hearing or informal conference within 10 days.

On June 14, 1999, the Commission received a request for an informal conference from The Dens Condominium Association, an intervenor in the case. A conference was held on August 30, 1999. At the conference it was agreed that both parties would file additional information. The Commission received the last of the additional information on November 16, 1999.

After reviewing the additional information Staff prepared an amended report that was issued by the Commission on January 13, 2000. The amended report

recommended that Big Bear be allowed to increase its rates to produce additional annual revenue of \$714 or 2.94 percent over normalized revenues. All parties had 10 days to respond to the amended report. On January 20, 2000, the Commission received a response from Big Bear accepting the amended rate. As of the date of this Order no other responses have been filed.

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

1. After careful review and examination of the Staff Reports, the Commission finds that the recommendations in the original Staff Report, as revised by the Amended Staff Report, will allow Big Bear sufficient revenues to meet its operating expenses and provide for future equity growth. The Commission therefore accepts the recommendations contained in the original Staff Report as amended by the Amended Staff Report. The recommendations and findings contained in the original Staff Report, including the modifications thereto in the Amended Staff Report, should be adopted as the findings of the Commission in this proceeding.

2. The rates in Appendix A will produce annual revenue from sewer service of \$25,022.00.

IT IS THEREFORE ORDERED that:

1. The recommendations and findings contained in the original Staff Report, including the modifications thereto in the Amended Staff Report, are adopted as the findings of the Commission in this proceeding and incorporated by reference into this Order as if fully set out herein.

2. The rates proposed by Big Bear will produce revenues greater than those found reasonable herein and are denied.

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

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

Done at Frankfort, Kentucky, this 10th day of February, 2000.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN
CASE NO. 99-114 DATED FEBRUARY 9, 2000

The following rates and charges are prescribed for the customers in the area served by Big Bear Wastewater, 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.

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| Monthly flat rate sewer fee | \$30.37 |
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