

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE FILING FOR BATH COUNTY) CASE NO. 2012-00537
WATER DISTRICT)

ORDER

On December 6, 2012, Bath County Water District ("Bath District") applied pursuant to 807 KAR 5:076 for a rate adjustment. Pursuant to the Commission's Order of January 9, 2013, Commission Staff conducted a review of Bath District's application and financial records and prepared a report of its findings and recommendations. On February 15, 2013, Commission Staff filed this report with the Commission. Bath District has filed a response to the report in which it does not object to findings and recommendations contained in Commission Staff's report, expressly waives its right to a hearing, and requests that this matter be submitted for immediate decision.¹

Bath District proposed rates that, based upon adjusted test period sales, would generate additional annual revenues from water sales of \$75,558. Commission Staff found that, using the Debt Service Coverage methodology that the Commission has historical used, Bath District's financial condition supported rates that would generate additional annual revenues from water sales of \$171,045.² Bath District has accepted Commission Staff's finding.

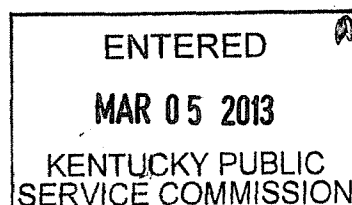
¹ Letter from Kenneth Barber, Co-Manager, Bath County Water District, to Jeff Derouen, Executive Director, Public Service Commission (Feb. 26, 2013).

² Staff Report on Bath County Water District at 4.

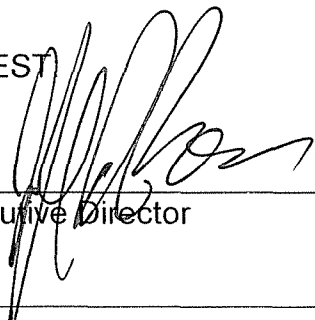
Accordingly, the Commission HEREBY ORDERS that³:

1. The informal conference that is scheduled in this matter for March 15, 2013 is cancelled.
2. No formal hearing in this matter will be conducted.
3. Ordering paragraph 8 of the Commission's Order of January 9, 2013 is vacated.
4. This matter stands submitted for decision.

By the Commission



ATTEST



Executive Director

³ Commission regulations do not require Bath District to publish notice of Commission Staff's recommended rates. 807 KAR 5:076, Section 10(3)(f), provides:

If commission staff reports that the applicant's financial condition supports a higher rate than the applicant proposed or recommends the assessment of an additional rate or charge not proposed in the application and the proposed rates produce total revenues in excess of 115 percent of the total revenue that the applicant's proposed rates will produce, the commission shall order the applicant to provide notice of the finding or recommendation to its customers.

Bath District's proposed rates will produce annual revenues from water sales of \$1,743,617. Commission Staff's recommended rates will produce total revenues from water sales of \$1,839,104 or 106 percent of the total revenue that of Bath District's rates would produce.

Kenny Barber
Co-Manager
Bath County Water District
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