



Ernie Fletcher
Governor

Mark David Goss
Chairman

Teresa J. Hill, Secretary
Environmental and Public
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Commonwealth of Kentucky
Public Service Commission
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John W. Clay
Commissioner

Christopher L. Lilly
Commissioner
Department of Public Protection

November 1, 2006

Honorable W. Randall Jones
Attorney at Law
Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, KY 40202

CERTIFICATE OF SERVICE

RE: Case No. 2006-00313
Bracken County Water District

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on November 1, 2006.

Executive Director

BOD/sh
Enclosure



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Honorable David Edward Spenard
Assistant Attorney General
Office of the Attorney General Utility & Rate Intervention Division
1024 Capital Center Drive
Suite 200
Frankfort, KY 40601-8204

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Charles Tarvin
Chairman
Bracken County Water District
P. O. Box 201
125 Miami Street
Brooksville, KY 41004

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE BRACKEN COUNTY)	
WATER DISTRICT FOR (1) THE APPROVAL OF)	
A PROPOSED PLAN TO FINANCE A WATER)	CASE NO.
WORKS PROJECT; AND (2) THE APPROVAL)	2006-00313
OF THE PROPOSED INCREASE IN RATES FOR)	
WATER SERVICE)	

ORDER

On June 21, 2006, Bracken County Water District ("Bracken County") filed its application for Commission approval of debt financing to construct a waterworks improvement project and a proposed increase in water rates. The debt financing was approved by the Commission's August 7, 2006 Order. Bracken County proposed to increase its annual revenue from water rates by 55 percent, or \$413,971 in additional water revenue. This proposal would increase the monthly water bill for 5,000 gallons of usage from \$26.37 to \$40.47, an increase of 53 percent.

By Order dated October 10, 2006, the Commission issued a Staff Report that was prepared upon review of Bracken County's test-year operations. Staff's report recommended that Bracken County's proposed rate increase be accepted. The Order granted 10 days to file written comments regarding the Staff Report or requests for a hearing or informal conference. No comments or requests for a hearing or informal conference were received in response to this Order.

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

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and should be adopted as the findings of the Commission.

2. The rates in Appendix A will produce annual revenue from water service of \$1,238,883.

IT IS THEREFORE ORDERED that:

1. The findings contained in the Staff Report are adopted and incorporated by reference into this Order as if fully set out herein.

2. The rates in Appendix A are approved for service rendered by Bracken County on and after the date of this Order.

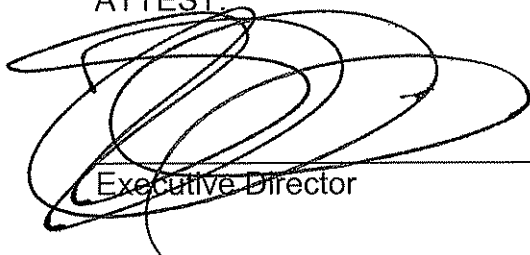
3. Within 30 days of the date of this Order, Bracken County shall file with the Commission its revised tariff setting out the rates approved herein.

4. Three years from the effective date of this Order, Bracken County shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Done at Frankfort, Kentucky, this 1st day of November, 2006.

By the Commission

ATTEST:



Executive Director

