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May 16, 2011

Mr. Jeff Derouen
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40601

Re: Coolbrook Utilities, LLC
Case No. 2010-00314

Dear Mr. Derouen:

Enclosed for filing are the original and 10 copies of a Stipulation between Commission Staff and Coolbrook Utilities, LLC. The Attorney General, while not a signatory to the Stipulation, has reviewed the Stipulation and does not object to its contents.

Sincerely,

Gerald E. Wuetcher
Counsel for Commission Staff

Cc: Parties of Record

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MAY 16 2011

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COMMISSION

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MAY 16 2011

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE FILING OF COOLBROOK) CASE NO. 2010-00314
UTILITIES, LLC)

STIPULATION

Pursuant to 807 KAR 5:001, Section 4(6), Coolbrook Utilities, LLC ("Coolbrook") and Commission Staff stipulate for purposes of this proceeding:

1. The calendar year ending December 31, 2009, should be used as the test period to determine the reasonableness of Coolbrook's existing and proposed rates.

2. Based upon pro forma test-period operations, Coolbrook's pro forma annual revenues are \$115,988.

3. Based upon pro forma test-period operations, Coolbrook's pro forma total operating expenses, after adjusting for known and measurable changes, is \$138,478. Appendix A provides a breakdown of Coolbrook's pro forma operating expenses. No provision should be made for Interest on Long-term Debt or Other Interest Expense.

4. Coolbrook's pro forma amortization expense of \$1,232 includes the amount of legal expenses that Coolbrook had incurred as of March 31, 2011 to pursue its rate adjustment application. These expenses are amortized over a three-year period.

5. Coolbrook's pro forma depreciation expense of \$3,842 includes depreciation on post-test period capital expenditures for two pumps, a duplex control panel, and a flowmeter.


6. An operating ratio of 0.88 should be used to determine Coolbrook's total revenue requirements.

7. As Coolbrook is a limited liability company and is not taxed as a corporation, no provision should be made for income taxes on its net income

8. Applying an operating ratio of 0.88 to Coolbrook's pro forma total operating expenses of \$138,478 produces a total revenue requirement of \$157,362, or \$41,374 in additional annual revenue than Coolbrook's current rates produce.


9. Given Coolbrook's end of test-period customer level of 435 customers and considering the effects of rounding, a monthly rate of \$30.15 will produce the required total revenue requirement.

Respectfully submitted,



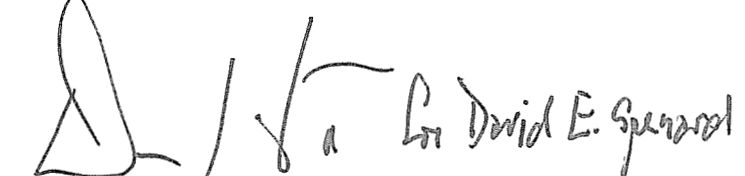
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Counsel for Coolbrook Utilities, LLC



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Counsel for Commission Staff



David E. Spenard
Office of Attorney General
1024 Capital Drive Center
Suite 200
Frankfort, Kentucky 40601

Counsel for Attorney General of
Kentucky

HAVE SEEN AND DO NOT OBJECT:

APPENDIX A

Owner/Manager Fee	\$ 3,600
Sludge Hauling	7,085
Water	370
Other Labor, Materials	10,556
Fuel & Power Expense	24,136
Chemicals	6,192
Routine Maintenance Fee	19,200
Maintenance of Collection Sys	1,850
Maintenance of Treat. & Disp.	17,751
Maintenance of Other Plant	7,764
Agency Collection Fee	17,605
Office Supplies and Other	1,269
Outside Services Employed	4,368
Insurance Expense	5,778
Misc. General Expense	250
Rent	1,200
Depreciation Expense	3,852
Amortization Expense	1,232
Taxes Other Than Income	4,420
Total Operating Expenses	\$138,478