Ernie Fletcher Governor

Teresa J. Hill, Secretary Environmental and Public Protection Cabinet

Christopher L. Lilly Commissioner Department of Public Protection

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



Commonwealth of Kentucky
Public Service Commission

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November 1, 2006

Mark David Goss Chairman

> John W. Clay Commissioner

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



Ernie Fletcher Governor

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psc.ky.gov November 1, 2006

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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Christopher L. Lilly Commissioner Department of Public Protection

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

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00313 DATED November 1, 2006.

The following rates and charges are prescribed for the customers in the area served by Bracken County Water District. 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.

RATES AND CHARGES

Rates: Monthly

First 2,000 gallons \$ 19.65 Minimum Bill
Next 38,000 gallons 6.94 Per 1,000 Gallons
Over 40,000 gallons 5.52 Per 1,000 Gallons

Surcharge – Division 1 1.70 Per Month

(Multiple users are billed a minimum bill of \$19.95 plus applicable surcharge per unit.)

Sales and Utility Tax where applicable.

Connection Fee: \$600.00 for a 5/8 x 3/4 Inch Connection

Wholesale Rate 2.59 Per 1,000 Gallons Wholesale Surcharge 3.34 Per 1,000 Gallons

Bulk Sales 6.25 Per 1,000 Gallons

Field Charge \$40.00