

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF WEST CARROLL WATER)
DISTRICT FOR AN ADJUSTMENT IN RATES) CASE NO. 2012-00433
PURSUANT TO THE ALTERNATIVE RATE FILING)
PROCEDURE FOR SMALL UTILITIES)

ORDER

On November 26, 2012, West Carroll Water District ("West Carroll District") applied pursuant to 807 KAR 5:076 for a rate adjustment.¹ Pursuant to the Commission's Orders of November 29, 2012 and January 4, 2013, Commission Staff conducted a review of West Carroll District's application and financial records and prepared a report of its findings and recommendations. On January 29, 2013, Commission Staff filed this report with the Commission. West Carroll District has filed a response to the report in which it does not object to Commission Staff's findings and recommendations, expressly waives its right to a hearing, and requests that this matter be submitted for decision.²

West Carroll District proposed rates that, based upon adjusted test-period sales, would generate additional annual revenues from water sales of \$36,119.³ Commission Staff found that, using the Debt Service Coverage methodology that the Commission

¹ West Carroll District tendered its application on October 17, 2012. Because the application failed to meet certain requirements of 807 KAR 5:076, the Commission did not accept the application until these deficiencies were cured on November 26, 2012.

² Letter from Chastity Robbins, Director of Finance, West Carroll Water District, to Jeff Derouen, Executive Director, Public Service Commission (Feb. 26, 2013).

³ Commission Staff reported that West Carroll District's proposed rates will generate total revenues from water sales of \$504,597 and that its current rates produce revenues of \$468,478.

has historically used, West Carroll District's financial condition supported rates that would generate additional annual revenues from water sales of \$50,642.⁴ West Carroll District has accepted this finding.

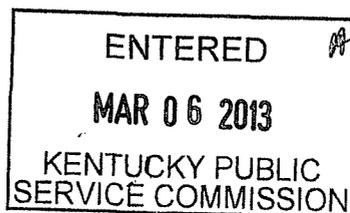
Accordingly, the Commission HEREBY ORDERS that:⁵

1. The informal conference that is scheduled in this matter for March 14, 2013 is cancelled.
2. The hearing that is scheduled in this matter for March 27, 2013 is cancelled.
3. Ordering paragraph 5 of the Commission's Order of February 21, 2013 is vacated.
4. This matter stands submitted for decision.

By the Commission

ATTEST:


Executive Director



⁴ Staff Report on West Carroll Water District at 3.

⁵ Commission regulations do not require West Carroll 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.

West Carroll District's proposed rates will produce annual revenues from water sales of \$504,597. Commission Staff's recommended rates will produce total revenues from water sales of \$519,120 or 103 percent of the total revenue that of West Carroll District's rates would produce.

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