

Cannonsburg Water District  
1606 Cannonsburg Road  
Ashland, KY 41102  
March 1, 2012

Executive Director  
Kentucky Public Service Commission  
211 Sower Blvd.  
PO Box 615  
Frankfort, KY 40602-0615

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PUBLIC SERVICE  
COMMISSION

RE: Case No. 2011-00217

Dear Sir:

Enclosed for filing in the above referenced case are responses to items listed in the Staff Report issued on February 27, 2012.

1. With regard to insurance, Cannonsburg is now requiring employees to pay 25 percent of the premium. It is in the process of obtaining quotes from various insurance companies and will review the coverage provided to each employee as set out in the Staff Report.

2. Cannonsburg accepts the adjustment of rates that will produce \$2,444,661 in water sales.

3. The conditions set forth addressing the excessive water loss are accepted.

4. Cannonsburg will publish its notice in accordance with the example set forth in Appendix B and will provide the Commission with proof of publication prior to March 23, 2012 in an effort to expedite this proceeding.

5. Cannonsburg is working with Kentucky Rural Water Association and will file within 90 days of the entry of the final order in this case a comprehensive plan and will meet all other conditions set out in the Staff Report.

6. In the application for a rate increase, Cannonsburg requested approval of certain non-recurring charges. These charges were not included in the Staff Report and

no mention was made as to the approval or denial of the proposed charges. Cannonsburg requests that the charges be approved.

If additional information is required please advise. We respectfully request that an Order in this proceeding be issued as soon as possible. Cannonsburg currently has outstanding bills that cannot be paid until the rate increase is approved and revenue from the increase is received.

Sincerely,

A handwritten signature in black ink that reads "Danny A. Clarkston". The signature is written in a cursive, flowing style with a large initial "D".

Danny Clarkston  
General Manager