

Rubin & Hays

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CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT

April 10, 2015

RECEIVED

APR 13 2015

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

Re: Cumberland Falls Highway Water District **PSC Case No. 2015-00115**


Dear Mr. Derouen:

Pursuant to 807 KAR 5:069, Section 3(3)(b), enclosed please find the Affidavit of Publication and Tearsheet relating to the Notice of Proposed Rate Change of the Cumberland Falls Highway Water District.

If you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays

By 
W. Randall Jones

WRJ:jl
Enclosures

TIMES-TRIBUNE
P.O. BOX 516/CORBIN, KY 40702
(606) 528-2464

RECEIVED
APR 13 2015
PUBLIC SERVICE
COMMISSION

AFFIDAVIT OF PUBLICATION

I Rhonda Lawson of the Times-Tribune Newspaper, published at Corbin, Kentucky and having the largest general circulation of any newspaper in Whitley County, Kentucky do hereby certify that from my own knowledge and a check of the files of this newspaper that the advertisement of Proposed Rate Change for Cumberland Falls Water was inserted in the Times-Tribune and/or Tri. Co. Shopping Guide on the following dated:

Times-Tribune on: April 3, 2015

Signature: Rhonda Lawson

Subscribed and Sworn to Before me by: Rhonda Lawson
This 3rd day of April, 20 15.

Renee Smith
Notary Public

My Commission Expires: 7-21-2018

NOTICE OF PROPOSED RATE CHANGE

In accordance with the requirements of the Kentucky Public Service Commission ("PSC") as set out in 807 KAR 5:069, Section 3, notice is hereby given to the customers of the Cumberland Falls Highway Water District (the "District") of a change in water rates for users of the District's water system. The changes in water rates are required by the U.S. Department of Agriculture, acting through Rural Development ("RD") in connection with a loan by RD to the District in the principal amount of \$803,000 to be evidenced by the issuance by the District of its waterworks revenue bonds in such amount, which RD has agreed to purchase provided the District meets certain conditions of RD, including revising the water rates as set forth below:

Current Monthly Rates

| <u>5/8 x 3/4 inch Meters</u> | | <u>Monthly Rate</u> |
|------------------------------|----------------|------------------------|
| First | 1,000 gallons | \$17.36 minimum bill |
| Over | 1,000 gallons | 7.16 per 1,000 gallons |
| <u>1 inch Meters</u> | | <u>Monthly Rate</u> |
| First | 5,000 gallons | \$46.00 minimum bill |
| Over | 5,000 gallons | 7.16 per 1,000 gallons |
| <u>2 inch Meters</u> | | <u>Monthly Rate</u> |
| First | 25,000 gallons | \$189.20 minimum bill |
| Over | 25,000 gallons | 7.16 per 1,000 gallons |

Proposed Monthly Water Rates

| <u>5/8 x 3/4 inch Meters</u> | | <u>New Monthly Rate</u> | <u>Dollar Change</u> | <u>Percentage Change</u> |
|------------------------------|----------------|-------------------------|----------------------|--------------------------|
| First | 1,000 gallons | \$21.18 minimum bill | \$3.82 | 22.00% |
| Next | 1,000 gallons | 8.74 per 1,000 gallons | 1.58 | 22.00 |
| <u>1 inch Meters</u> | | <u>New Monthly Rate</u> | <u>Dollar Change</u> | <u>Percentage Change</u> |
| First | 5,000 gallons | \$56.14 minimum bill | \$10.14 | 22.00% |
| Over | 5,000 gallons | 8.74 per 1,000 gallons | 1.58 | 22.00 |
| <u>2 inch Meters</u> | | <u>New Monthly Rate</u> | <u>Dollar Change</u> | <u>Percentage Change</u> |
| First | 25,000 gallons | \$230.94 minimum bill | \$44.74 | 22.00% |
| Next | 25,000 gallons | 8.74 per 1,000 gallons | 1.58 | 22.00 |

The proposed monthly water rates shall be effective for water sold after the date of the final approving Order of the PSC, which Order is expected to be issued no later than 30 days of the filing of the Application.

The amount of average usage for all customers in the calendar year 2014 was 4,231 gallons per month thus generating an average monthly billing based on current rates of \$40.49. The proposed monthly rates will increase the average monthly billing to \$49.42 for an impact of \$8.93 or 22.00%.

The Application for approval of the rate change has been filed with the PSC and may be examined during normal business hours at the following locations: (i) Cumberland Falls Highway Water District office, 6926 Cumberland Falls Highway, Corbin, Kentucky 40701; (ii) PSC, 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., E.T.; and (iii) via the PSC website at <http://psc.ky.gov>. Comments regarding the Application may be submitted to the PSC via its website or by mail to PSC, P.O. Box 615, Frankfort, Kentucky 40602.

The proposed rates are required under the terms of an agreement between the District and RD and KRS 278.023 does not grant the PSC any discretionary authority to modify or reject any portion of the agreement between the District and RD, or to defer the issuance of all necessary orders to implement the terms of the agreement.

The RD loan proceeds will be used in conjunction with a \$397,000 RD grant and a \$192,309 District contribution to finance the cost of the installation of approximately 17,000 linear feet of water transmission main, a pumping station and associates appurtenances. Signed, Bill Perkins, Chairman, Cumberland Falls Highway Water District.