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May 4, 2017

**RECEIVED**

MAY 4 2017

PUBLIC SERVICE  
COMMISSION

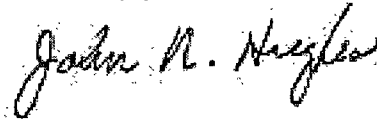
Talina Mathews  
Executive Director  
Public Service Commission  
211 Sower Blvd.  
Frankfort, KY 40601

Re: Jackson County Water Association  
Case No. 2017-00182

Dear Ms. Mathews:

Jackson County Water Association submits the revised notices as required by the letter dated May 3, 2017. It will be placed in the local newspaper on the next publication date, which is Wednesday, May 10. Bids for the project expire May 29, 2017. Approval prior to that date is requested to avoid the possibility of renewing the bids. If you have any questions about this matter, please contact me.

Very truly yours,



John N. Hughes

Attorney for Jackson County Water  
Association

## NOTICE OF PROPOSED CHANGES IN WATER RATES

Notice is hereby given that Jackson County Water Association, a public utility furnishing water service within the Commonwealth of Kentucky, on or about the 26th day of April, 2017 pursuant to Kentucky Revised Statute 278.180 and KRS 278.023 and the Rules of the Public Service Commission of Kentucky filed its notice with the Kentucky Public Service Commission ("KPSC"), proposing to change its rates for the purpose of funding approximately 35,000 feet of water transmission main extensions and 19 miles of water line extensions and replacements to serve 92 additional customers from McKee to Sand Gap as well as related pumps and Morrill water storage and waterline improvements. The total cost of the project is approximately \$5,300,000, consisting of a U.S. Department of Agriculture (RD) loan of \$3,900,000, RD grant of \$905,000 and JCWA funds of \$488.00. The rates are proposed to become effective upon KPSC approval, which is expected within 30 days of this notice.

Water rates will be at least:	PROPOSED	CURRENT RATES	% Increase	\$ Increase
<b>5/8x3/4 meter</b>				
First	2,000 gallons @ \$ 24.05. - Minimum Bill.	\$20.58	16.85	\$3.47
Next	18,000 gallons @ \$ 10.55. - per 1,000 gallons.	9.03	16.85	\$1.52
Next	30,000 gallons @ \$ 8.74. - per 1,000 gallons.	7.48	16.85	\$1.26
	All Over 50,000 gallons @ \$ 6.84. - per 1,000 gallons.	5.85	16.85	\$0.99
<b>1" meter</b>				
First	5,000 gallons @ \$ 55.70. - Minimum Bill.	\$47.67	16.85	\$8.03
Next	15,000 gallons @ \$ 10.55. - per 1,000 gallons.	9.03	16.85	\$1.52
Next	30,000 gallons @ \$ 8.74 - per 1,000 gallons.	7.48	16.85	\$1.26
	All Over 50,000 gallons @ \$6.84. - per 1,000 gallons.	5.85	16.85	\$0.99
<b>1 1/2" meter</b>				
First	10,000 gallons @ \$ 108.45 - Minimum Bill.	\$92.82	16.85	\$15.63
Next	10,000 gallons @ \$ 10.55. - per 1,000 gallons.	9.03	16.85	\$1.52
Next	30,000 gallons @ \$ 8.74 - per 1,000 gallons.	7.48	16.85	\$1.26
	All Over 50,000 gallons @ \$6.84. - per 1,000 gallons.	5.85	16.85	\$0.99
<b>2" meter</b>				
First	20,000 gallons @ \$ 213.95 - Minimum Bill.	\$183.12	16.85	\$30.83
Next	30,000 gallons @ \$ 8.74 - per 1,000 gallons.	7.48	16.85	\$1.26
	All Over 50,000 gallons @ \$6.84. - per 1,000 gallons.	5.85	16.85	\$0.99
<b>3" meter</b>				
First	30,000 gallons @ \$ 301.35 - Minimum Bill.	\$257.92	16.85	\$43.43
Next	20,000 gallons @ \$ 8.74 - per 1,000 gallons.	7.48	16.85	\$1.26
	All Over 50,000 gallons @ \$6.84. - per 1,000 gallons.	5.85	16.85	\$0.99
<b>4" meter</b>				
First	40,000 gallons @ \$ 388.75 - Minimum Bill.	\$332.92	16.85	\$55.83
Next	10,000 gallons @ \$ 8.74 - per 1,000 gallons.	7.48	16.85	\$1.26
	All Over 50,000 gallons @ \$6.84. - per 1,000 gallons.	5.85	16.85	\$0.99

Wholesale rates will be in accordance with proposed and existing rates

Customer Class	Average Monthly Usage	Average Monthly Bill (Present Rates)	Average Monthly Bill (Proposed Rates)	Increase in Average Monthly Bill (\$)	Increase in Average Monthly Bill (%)
5/8 x3/4 meter	2,880	\$28.53	\$33.33	\$4.80	16.82%
1" meter	6,610	\$62.21	\$72.69	\$10.48	16.85%
1 1/2:" meter	55,555	\$440.02	\$514.15	\$74.13	16.85%
2" meter	48,225	\$394.24	\$460.64	\$66.40	16.84%
3" meter	No customers	n/a	n/a	n/a	n/a
4" meter	110,690	\$762.76	\$891.27	\$128.51	16.84%

Wholesale rates will be in accordance with proposed and existing rate agreements.

The impact on each customer's average bill will vary according to individual consumption levels. However, this impact can be determined by each customer by applying the proposed rates listed above to their respective average consumption levels.

The rates contained in this notice are the rates proposed by Jackson County Water Association under the terms of an agreement with the U.S. Department of Agriculture, Rural Development (RD) and KRS 278.023 does not grant the Public Service Commission any discretionary authority to modify or reject any portion of the agreement among the USDA - RD and Jackson County Water Association or to defer the issuance of all necessary orders to implement the terms of the agreement.

This application for rate adjustment is available for examination at its offices listed below. Any person may obtain a copy of the application, testimony or other documents or examine the rate application and any related filings at the offices of Jackson County Water Association listed below or at its website [jcwaco.com](http://jcwaco.com) or the Commission office or its website listed below.

A person may also examine the application at the Public Service Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's Web site at <http://psc.ky.gov>. Comments regarding the application may be submitted to the Public Service Commission through its Web site or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602.

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