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## NEWS RELEASE

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### **PSC to Take Comments in Mountain Water District Rate Case** *Public meeting in Pikeville will also cover Kentucky Power rate case*

**FRANKFORT, Ky. (March 3, 2015)** – The Kentucky Public Service Commission (PSC) will hold a meeting in Pikeville next month to receive public comments on a rate increase proposed by Mountain Water District

The Thursday, April 16, meeting will be held in conjunction with a public comment meeting on the rate increase sought by Kentucky Power Co.

The meeting will be held in the auditorium at Pikeville High School, 120 Championship Drive. It will begin at 5 p.m. EDT with a presentation by PSC staff on the regulatory processes governing the case and an overview of the Mountain Water District application. The presentation also will cover the Kentucky Power rate case.

At 6 p.m. EDT, the PSC will take public comments on the Mountain Water District rate case. Comments on the Kentucky Power rate case will be taken at the conclusion of the comments on Mountain Water District case or at 7 p.m. EDT, whichever is later.

“This meeting is an opportunity for the public to learn how the PSC evaluates rate increase applications and arrives at a decision,” PSC Chairman David Armstrong said. “The meetings also allow the PSC to hear directly from ratepayers in these matters.”

Mountain Water has about 17,300 water customers and 2,400 sewer customers in Pike County. It is a wholesale water provider to two small cities in Pike County and to water districts in Martin County, Ky. and in Mingo County, W. Va.

Mountain Water is seeking to increase its annual revenue from water sales by about \$2 million, or about 25 percent. The utility says the average monthly residential bill would increase by about \$8, to about \$40, if the rate increased is approved.

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Mountain Water's proposed sewer rates would increase revenue from wastewater treatment operations from about \$990,000 to about \$2.56 million, or about 159 percent. If approved, the new rates would more than double current sewer bills, with residential customers paying from about \$34.50 to about \$55 more per month, depending on the current rate.

In its application, Mountain Water says the increases are needed to maintain the utility's financial stability and to provide reliable service. Mountain Water states that its current revenue is insufficient to meet expenses, including payments to Utility Management Group, which has a contract to conduct most of the district's operations.

Mountain Water's last general rate increase was in 1997. Since then, it has had rate adjustments tied to specific construction projects.

In addition to the public meeting, the PSC will conduct a formal evidentiary hearing in the case beginning at 10 a.m. EDT on Tuesday, May 19. The hearing will be held at the PSC offices at 211 Sower Boulevard in Frankfort. It will be open to the public and may be viewed live on the PSC website, [psc.ky.gov](http://psc.ky.gov)

Written comments will be accepted through the conclusion of the evidentiary hearing. They may be mailed to the PSC at P.O. Box 615, Frankfort, KY 40602, faxed to 502-564-3460, e-mailed from the PSC website or submitted in person at the public meetings or at the PSC offices.

Mountain Water's application and other records in the case are available on the PSC website. The case numbers is 2014-00342.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and has approximately 85 employees.