



April 23, 2009

Mr. Greg Pruitt, County Judge / Executive  
Hickman County  
110 East Clay Street  
Clinton, KY 42031

RECEIVED  
APR 28 2009  
PUBLIC SERVICE  
COMMISSION

Re: Rate Increase -- Kentucky PSC Case 2008-00563

Dear Mr. Pruitt,

We have seen your April 20, 2009 letter recently sent to the Kentucky Public Service Commission (PSC) concerning our proposed rate increase for Water Service Corp. of Kentucky (WSCKY). I wanted to take the opportunity to respond.

In preparing our PSC required customer notice we determined that the average monthly water used was approximately 3,700 gallons. With our proposed increase, a customer in Clinton using 3,700 gallons per month would pay just \$34.41. That works out to less than 1¢ per gallon or about \$1.15 per day. Regrettably, many people have focused on the "percentage increase" as you have in your letter instead of the projected bill amount or the cost per gallon.

If a consumer were to buy a 16 oz. bottle of water at the convenience store at normal cost of a \$1.00 or more, that would equate to \$8.00 per gallon. The 1¢ per gallon for safe, treated water, delivered to the customer's faucet is, we believe, a very reasonable amount. I would also like to note that our water was delivered uninterrupted during the devastating January ice storm when other local utilities were shut down and customers had no water for days, even weeks.

Water is of course our most precious resource and our most valuable utility. We do not feel it is unreasonable or burdensome for a consumer to pay less than a 1¢ for a gallon of water. The cost to meet regulatory requirements and provide the level of service we do is continuing to escalate. The City of Clinton is most familiar with these issues as they themselves raised sewer rates in December 2007 designed to accommodate an approximate 45% in revenue. In that situation there was no oversight by the PSC or opportunity for independent review and input as there is in this case.

We will continue to use sound judgment in our operations and hope that our request for a reasonable rate increase will be considered once the true consumer value of this utility is understood and appreciated.

Thank you for your attention.

Sincerely,

Martin Lashua,  
Regional Director

cc: Kentucky Public Service Commission

a Utilities, Inc. company Water Service Corp. of Kentucky

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