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

RECEIVED

July 16, 2014

JUL 18 2014
PUBLIC SERVICE
COMMISSION

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

Re: Adair County Water District PSC Case No. 2014-00218


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 Adair County Water District.

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

Sincerely,

Rubin & Hays

By 
W. Randall Jones

WRJ:jl
Enclosures

NOTARIZED PROOF OF PUBLICATION

STATE OF KENTUCKY

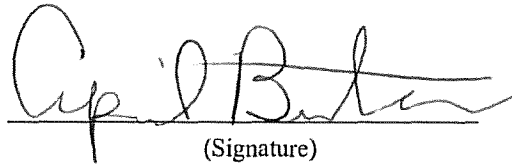
COUNTY OF ADAIR

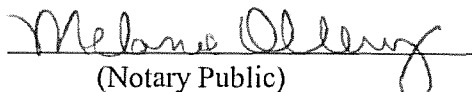
Before me, a Notary Public, in and for said County and State, this
15th day of July, 2014, came April Burton, personally
known to me, who being duly sworn, states as follows:

That she is Bookkeeper of The Adair Progress Inc., which
publishes THE ADAIR PROGRESS NEWSPAPER and
(Name of Publication)
that said publication of 7- 3-2014 carried the advertising of

(DATE)

Notice of proposed rates Current Monthly Sewer Rates .


(Signature)


(Notary Public)

My Commission expires: 6/23/18

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 Adair County Water District (the "District") of a change in sewer rates for users of the District's sewer system. The change in sewer rates is 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 amount of \$694,000 to be evidenced by the issuance by the District of its utilities revenue bonds in such amount, which RD has agreed to purchase provided the District meets certain conditions of RD, including revising the sewer rates as set forth below:

Current Monthly Sewer Rates

<u>All Meters</u>	<u>Monthly Rate</u>
Minimum Bill	\$4.00 No Usage
All Usage	4.10 per 1,000 gallons

Proposed Monthly Sewer Rates

<u>All Meters</u>	<u>New Monthly Rate</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Minimum Bill	\$5.00 No Usage	\$1.00	25.0%
All Usage	\$3.20 per 1,000 gallons	1.10	26.8

The proposed monthly sewer rates shall be effective for service rendered after the date of the final approving Order of the PSC, which Order is expected to be issued with 30 days of the filing of the Application.

The amount of average sewer usage for all customers in the calendar year 2013 was 3,460 gallons per month thus generating an average monthly billing based on current rates of \$26.14. The proposed monthly rates will increase the average monthly billing to \$33.08 for an impact of \$6.94 or 26.6%.

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) Adair County Water District office, 109 Grant Lane, Columbia, Kentucky 42728; (ii) PSC, 211 Sower Boulevard, Frankfort, Kentucky 40601, 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 two RD grants in the aggregate amount of \$381,000 and an Economic Development Administration grant in the amount of \$2,200,000 to finance the cost of the (i) construction of various sludge condition system upgrades and other associated work at the Columbia Wastewater Treatment Plant; (ii) installation of (a) 1,950 linear feet of 8 inch sanitary sewer line, (b) 500 linear feet of 4 inch sewer force main, (c) 4 lift stations, and (d) 10 manholes and appurtenances; and (iii) renovation of an existing 500,000 gallon elevated water storage tank. Signed, Robert Flowers, Chairman, Adair County Water District.