

Cannonsburg Water District
1606 Cannonsburg Road
Ashland, KY 41102
Office: (606) 928-9808
Fax: (606) 928-4788



March 27, 2019

Ms. Gwen R. Pinson
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

RECEIVED

APR 01 2019

PUBLIC SERVICE
COMMISSION

Re: PSC Case No. 2018-00376
Cannonsburg Water District
Wholesale Customer Notice

Dear Ms. Pinson:

In its Staff Report dated March 19, 2019, PSC Staff recommended Cannonsburg Water District ("Cannonsburg") increase its wholesale rates. The Board of Commissioners of Cannonsburg accepted the recommendations contained in the PSC Staff Report.

This letter is to inform you that Cannonsburg has provided notice to its two wholesale customers, City of Greenup and Big Sandy Water District. Enclosed are the letters to both wholesale customers that were hand-delivered on March 27, 2019, as well as the Wholesale Customer Notice and Attachment A to the PSC Staff Report that contains the recommended rates.

If you need anything else from Cannonsburg, please let us know. Cannonsburg urges the PSC Commission to approve the rates recommended by PSC Staff as soon as possible.

Yours truly,

A handwritten signature in black ink, appearing to read "Tim Webb".

Tim Webb, General Manager

Enclosures

cc: Office of the Attorney General, Rate Intervention

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**PUBLIC SERVICE
COMMISSION**

March 26, 2019

Hon. Lundie Meadows, Mayor
City of Greenup
1005 Walnut Street
Greenup, KY 41144

Mr. Paul Thomas, Chairman
Big Sandy Water District
18200 State Route 3
Catlettsburg, KY 41129

RE: Proposed Water Rate Increase

Hand Delivered

Dear Mayor Meadows and Chairman Thomas:

Several months ago, Cannonsburg Water District filed an Application with the PSC to increase its **retail** water rates. We did **not** seek to increase **wholesale** rates.

On March 19, 2019, the PSC issued its Staff Report in our rate case. The PSC Staff reduced our retail rate increase and recommended that all of our rates, both **retail** and **wholesale**, be increased by approximately **4.07%**. The new wholesale rate recommended by PSC Staff is **\$4.60** per 1,000 gallons. This is an increase of 18 cents per 1,000 gallons.

The purpose of this letter is to inform you that the Board of Commissioners of the Cannonsburg Water District has decided to accept the recommendations contained in the PSC Staff Report.

Attached are the following documents:

1. Attachment A to the PSC Staff Report; and
2. Wholesale Customer Notice.

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We anticipate that the PSC will issue a final Order approving the rates (both retail and wholesale) set forth in Attachment A for all water purchased from Cannonsburg on and after **April 26, 2019**.

If you have any questions, please let me know.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tim Webb", is written over a horizontal line.

Tim Webb, General Manager
Cannonsburg Water District
Enclosures

WHOLESALE CUSTOMER NOTICE

Notice is hereby given that the Cannonsburg Water District plans to increase its wholesale water rate as recommended by PSC's Staff in a report dated March 19, 2019. The proposed rate shall not become effective until the Public Service Commission has issued an order approving this rate.

MONTHLY WATER RATES

Wholesale Rate for All Wholesale Customers

<u>No. of Gallons per Month:</u>	<u>Charge per 1,000 Gals.</u>		<u>Dollar</u>	<u>Percent</u>
	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>	<u>Increase</u>
For All Water Purchased	\$4.42	\$4.60	\$0.18	4.07%

When the recommended rates are implemented, the monthly bill for Big Sandy Water District, using an average of about 3,900,000 gallons per month will increase from \$17,238 to \$17,940. This is an increase of \$702 or 4.07%. The monthly bill for the City of Greenup, using an average of about 1,000,000 gallons per month will increase from \$4,420 to \$4,600. This is an increase of \$180 or 4.07%.

The rates contained in this notice are the rates proposed by Cannonsburg Water District. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates shown in this notice.

Cannonsburg Water District has available for inspection at its office the application which it submitted to the Public Service Commission. A person may examine this application at Cannonsburg Water District's office located at 1606 Cannonsburg Road, Ashland, KY 41102. You may contact the office at 606-928-9808.

A person may also examine the application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's website at <http://psc.ky.gov>. Comments regarding the application may be submitted to the Public Service Commission through its website or by mail to Public Service Commission, PO Box 615, Frankfort, Kentucky, 40602. You may contact the Public Service Commission at 502-564-3940.

A copy of the PSC Staff Report in Case No. 2018-00376 can be found at the following address:
https://psc.ky.gov/PSCSCF/2018%20Cases/2018-00376/20190319_STAFF_REPORT.pdf

The Big Sandy Water District, City of Greenup, or any other party may submit a timely written request for intervention to the Public Service Commission, PO Box 615, Frankfort, KY, 40602, establishing the grounds for the request including the status and interest of the party. If the Public Service Commission does not receive a written request for intervention in this matter by April 26, 2019, the Commission may take final action on the application.

ATTACHMENT A

ATTACHMENT TO A STAFF REPORT OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2018-00376 DATED **MAR 19 2019**

Monthly Rates

5/8 x 3/4-Inch Meter

First	2,000	Gallons	\$ 25.33	Minimum Bill
Next	3,000	Gallons	9.54	per 1,000 Gallons
Next	15,000	Gallons	8.77	per 1,000 Gallons
Next	30,000	Gallons	8.09	per 1,000 Gallons
Next	50,000	Gallons	7.72	per 1,000 Gallons
All Over	100,000	Gallons	6.77	per 1,000 Gallons

1-Inch Meter

First	5,000	Gallons	\$ 53.96	Minimum Bill
Next	15,000	Gallons	8.77	per 1,000 Gallons
Next	30,000	Gallons	8.09	per 1,000 Gallons
Next	50,000	Gallons	7.72	per 1,000 Gallons
All Over	100,000	Gallons	6.77	per 1,000 Gallons

2 & 3-Inch Meters

First	20,000	Gallons	\$ 185.42	Minimum Bill
Next	30,000	Gallons	8.09	per 1,000 Gallons
Next	50,000	Gallons	7.72	per 1,000 Gallons
All Over	100,000	Gallons	6.77	per 1,000 Gallons

6-Inch Meters

First	50,000	Gallons	\$ 428.03	Minimum Bill
Next	50,000	Gallons	9.54	per 1,000 Gallons
All Over	100,000	Gallons	6.77	per 1,000 Gallons

12-Inch Meters

First	100,000	Gallons	\$ 814.17	Minimum Bill
All Over	100,000	Gallons	6.77	per 1,000 Gallons

Leak Adjustment 4.56 per 1,000 Gallons

Wholesale Customers

City of Greenup	4.60	per 1,000 Gallons
Big Sandy Water District	4.60	per 1,000 Gallons