

DEC 13 2018

PUBLIC SERVICE  
COMMISSION

Big Sandy Water District  
18200 State Route 3  
Catlettsburg, KY 41129  
(606) 928-2075 or (800) 354-2933  
[bdistrict@windstream.net](mailto:bdistrict@windstream.net)

December 13, 2018

Ms. Gwen R. Pinson  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602-0615

Re: TFS2018-00537  
City of Ashland, Kentucky

Dear Ms. Pinson:

On November 28, 2018 the City of Ashland, Kentucky ("Ashland") filed with the Kentucky Public Service Commission (the "Commission") notice of a proposed increase in its wholesale water service rate to Big Sandy Water District from \$2.94 per 1,000 gallons to \$3.03 per 1,000 gallons. This increase is scheduled to take effect on January 1, 2019.

At this time Big Sandy Water District is unable to assess the reasonableness of the proposed rate. Ashland provided no information to Big Sandy Water District or the Commission to show that proposed rate is fair, just and reasonable, nor has it shown that the proposed rate represents Ashland's actual cost of providing water service to Big Sandy Water District. No cost-of-service study has been provided to support the proposed rate.

Accordingly, I request that the Commission open an investigation into Ashland's proposed wholesale rate increase and permit Big Sandy to be a party to such investigation. A Commission investigation will ensure that Big Sandy Water District and its customers are assessed a reasonable rate. As a large portion of the rate that Big Sandy Water District assesses for its water service is due to the cost of water purchased from Ashland, a Commission investigation will increase public confidence in the rates that Big Sandy Water District charges.

Sincerely,

Big Sandy Water District

A handwritten signature in black ink, appearing to read "Paul Thomas".

Paul Thomas  
Chairman