

CANNONSBURG WATER DISTRICT
1606 CANNONSBURG ROAD
ASHLAND, KY 41102
606-928-9808
FAX# 606-928-4788

JUNE 1, 2004

RECEIVED
JUN 04 2004
PUBLIC SERVICE
COMMISSION

EXECUTIVE DIRECTOR
PUBLIC SERVICE COMMISSION
P O BOX 615
FRANKFORT, KY 40602-0615

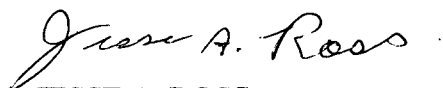
RE: RATE CASE NO. 2004-00159

DEAR EXECUTIVE DIRECTOR:

PLEASE FIND ENCLOSED THE APPLICATION FOR A REQUESTED RATE INCREASE. YOU WILL FIND ALL THE INFORMATION REQUESTED ENCLOSED AND 11 COPIES FOR THE COMMISSION.

IF YOU HAVE ANY QUESTIONS, PLEASE LET US KNOW.

SINCERELY,



JESSE A. ROSS
MANAGER
CANNONSBURG WATER DISTRICT

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
JUN 04 2004
PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

THE APPLICATION OF THE CANNONSBURG)
WATER DISTRICT FOR THE APPROVAL OF THE) CASE NO.
PROPOSED INCREASE IN RATES FOR WATER) 2004-00159
SERVICE)

STATEMENT AND NOTICE

The Cannonsburg Water District ("Cannonsburg"), by counsel, pursuant to KRS 278.020, KRS 278.180, KRS 278.190, and KRS 278.300, petitions the Commission for the approval of the proposed increase in the rates and charges. In support of its application, Cannonsburg respectfully states as follows:

1. Cannonsburg is a non-profit water district organized under KRS Chapter 74 and has no separate articles of incorporation or by-laws. Cannonsburg's principal office and mailing address is 1606 Cannonsburg Road, Ashland, Kentucky 41102.

2. Cannonsburg is engaged in the distribution and sale of water. As reported in its "Annual Report to the Public Service Commission for the Year Ending December 31, 2002," Cannonsburg provides water service to approximately 3,039 residential customers, 189 commercial customers, and 5 industrial customers, in Boyd County, Kentucky.

3. The proposed increase in the rates and charges is necessary for Cannonsburg to meet continuing demand for adequate service. It has been approximately 6 years since Cannonsburg has increased its base rates. In those 6 years there has been increases in the operating costs and the loss of a large industrial

customers. The increases in the cost of service and the lost revenue have not been offset by Cannonsburg's system growth. An increase in its rates is essential for Cannonsburg to maintain a reasonable level of service, to meet the expanding needs of its service area and to cover its debt service.

4. As authorized by KRS 278.192(1), and for the purpose of justifying the reasonableness of the proposed general increase in rates, Cannonsburg has utilized an historical test period consisting of the twelve (12) consecutive calendar months ending December 31, 2002.

5. Cannonsburg's annual reports, including the annual report for 2003, are on file with the Public Service Commission as required by 807 KAR 5:006, Section 3(1).

6. Cannonsburg hereby gives notice to the Public Service Commission of the adjustment of its rates to those rates set forth in Exhibit No. 1 in the filing requirements. The proposed rates will result in an increase in annual operating revenues from water sales of \$270,389, an increase of approximately 24.8 percent over normalized revenues from water sales of \$1,093,395. The estimated amount of increase per customer class/meter size is:

Meter Size	Dollar Increase	Percentage Increase
5/8 x 3/4 Inch Residential/Commercial	\$ 187,424	20.78%
1 Inch and 1 1/2 Inch Meter	\$ 18,435	42.92%
2 and 3 Inch Meter	\$ 55,847	50.88%
6 Inch Meter	\$ 3,198	52.82%
12 Inch Meter	\$ 3,945	54.63%
5/8 Inch - Greenup	\$ 2,907	18.03%

7. The proposed tariffs (Exhibit No. 1) are shown in comparative form on the same sheets, side by side, and those comparative sheets are identified as Exhibit No. 2 in the filing requirements.

8. Cannonsburg has complied with 807 KAR 5:011, Section 9, (2) and 807 KAR 5:001, Section 10, (3) and (4), by delivering to newspapers of general circulation in its service area a copy of the Notice identified as Exhibit No. 13 in the filing requirements, for publishing once a week for three consecutive weeks in a prominent manner, the first of said publications has been made within (7) days of the date the Application is filed with the Commission.


9. As required by 807 KAR 5:001, Section 10, (4), (f), Cannonsburg will post a copy of its Customer Notices (Exhibit No. 13) at its place of business on the date the Application is filed with the Commission, and it will remain posted until the Public Service Commission has determined Cannonsburg's rates.

10. The lists of the documents filed in support of Cannonsburg's application for approval of the proposed adjustment of rates or the explanations for their absence is contained in the Filing Requirement Index.

WHEREFORE, the Applicant, Cannonsburg Water District requests the Public Service Commission of Kentucky to find that the proposed rates are fair, just, and reasonable pursuant to KRS 278.030(1).

Dated at Cannonsburg, Kentucky this May 19, 2004.

Respectfully submitted,
CANNONSBURG WATER DISTRICT

By 
Attorney Name
Legal Firm's Street Address
Legal Firm's City, State, & Zip
Legal Firm's Telephone No.

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