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May 5, 2006

RECEIVED

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PUBLIC SERVICE
COMMISSION

Beth O'Donnell
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

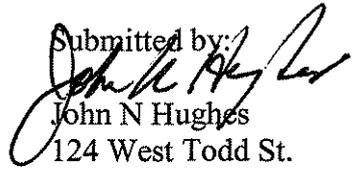
Re: Case No. 2005-00325

Dear Beth:

Pursuant to the telephone conference with the Staff and the Attorney General on Tuesday, Water Service Corporation of Kentucky files the notices to be published in Middlesboro and Clinton, reflecting the corrected rates for the affected meter sizes, which are to be effective June 9, 2006.

Also as was discussed during the conference, the existing procedural schedule will remain in effect unless it becomes necessary to be modified as result of the publication, and the rates originally requested in the application will be placed into effect at the end of the suspension period on June 1, 2006, after notice to the commission as required by KRS 278.190. Additionally, it was agreed that the hearing date will be deferred for an additional thirty days to allow for the notice publication period to expire. A copy of this letter has been mailed to the Attorney General.

If you have any questions about this, please contact me.

Submitted by:

John N Hughes
124 West Todd St.
Frankfort, KY 40601
502 227-7270
Attorney for Water Service
Corporation of Kentucky

WATER SERVICE CORPORATION OF KENTUCKY
CLINTON AREA
NOTICE TO CUSTOMERS
WATER RATE ADJUSTMENT

Pursuant to the regulations of the Public Service Commission (Commission), Water Service Corporation of Kentucky (WSCK) gives notice to its customers in Clinton that it intends to adopt an increase/decrease in its water rates. The rates listed below are to be effective June 9, 2006, or sooner if approved by the Commission. The average customer bill for all meter sizes is shown below. Further information may be obtained from the Commission or WSCK. The rates proposed in this Notice may be modified by the Commission. Such action by the Commission may result in the rates being higher or lower than those proposed by the WSCK.

Any corporation, association, body politic or person may by timely motion, within 30 days of this Notice, request intervention in this case. Intervention beyond the 30 day period may be granted for good cause shown. The Motion must be submitted to the Public Service Commission, 211 Sower Blvd., Box 615, Frankfort, Ky. 40602 and should state the grounds for the request, including the interest and status of the party. Intervenors may obtain copies of the Application and any testimony filed by contacting WSCK at the address below. A copy of the Application is available for public review at the office of WSCK and at the Public Service Commission, 211 Sower Blvd., Frankfort, Ky. 40601, (502) 564-3940.

Steve Lubertozzi
Water Service Corporation of Kentucky
2335 Sanders Road
Northbrook, Illinois 60062
(847) 498-6440

Local Office:
100 East Jackson Street
P.O. Box 178
Clinton, Kentucky 42031
(270) 653-3621

Average Bill Percentage		Average Bill Dollar				
		<u>Current Rates (per 1,000 gallons):</u>	<u>Proposed Rates (gallonage):</u>		<u>Increase/(Decrease):</u>	
		<u>Increase/(Decrease):</u>				
5/8" meters	First 1,000 (minimum)	\$7.50	\$8.85	Base charge	\$0.19	0.87%
3/4" meters	Next 9,000	\$4.25	\$3.01	Per 1,000 gallons		
	Next 15,000	\$3.90				
	Next 25,000	\$3.55				
	Next 50,000	\$3.15				
	Over 100,000	\$2.75				
1" meters	First 5,300 (minimum)	\$25.78	\$22.12	Base charge	\$0.01	0.01%
	Next 3,700	\$4.25	\$3.01	Per 1,000 gallons		
	Next 15,000	\$3.90				
	Next 25,000	\$3.55				
	Next 50,000	\$3.15				
	Over 100,000	\$2.75				
1 1/2" meters	First 11,200 (minimum)	\$50.43	\$44.25	Base charge	\$2.96	1.61%

	Next 13,800	\$3.90	\$3.01	Per 1,000 gallons		
	Next 25,000	\$3.55				
	Next 50,000	\$3.15				
	Over 100,000	\$2.75				
2" meters	First 17,600 (minimum)	\$75.39	\$70.79	Base charge	\$24.44	8.93%
	Next 7,400	\$3.90	\$3.01	Per 1,000 gallons		
	Next 25,000	\$3.55				
	Next 50,000	\$3.15				
	Over 100,000	\$2.75				
6" meters	First 250,500 (minimum)	\$764.38	\$442.45	Base charge	\$688.72	19.53%
	Over 250,500	\$2.75	\$3.01	Per 1,000 gallons		

	<u>Current Rates (flat):</u>	<u>Average Bill Dollar</u>	<u>Average Bill Percentage</u>	
	<u>Increase/(Decrease):</u>	<u>Proposed Rates (flat):</u>	<u>Increase/(Decrease):</u>	
Hydrant (private)	\$7.50	\$9.38	\$1.88	25.07%
5/8" sprinkler (private)	\$15.00	\$18.75	\$3.75	25.00%
Hydrant (municipal)	\$3.3334/hydrant	\$4.17/hydrant	\$0.84	25.10%

WATER SERVICE CORPORATION OF KENTUCKY
MIDDLESBORO AREA
NOTICE TO CUSTOMERS
WATER RATE ADJUSTMENT

Pursuant to the regulations of the Public Service Commission (Commission), Water Service Corporation of Kentucky (WSCK) gives notice to its customers in Middlesboro that it intends to adopt an increase in its water rates. The rates listed below are to be effective June 9, 2006, or sooner if approved by the Commission. The average customer bill for all meter sizes is shown below. Further information may be obtained from the Commission or WSCK. The rates proposed in this Notice may be modified by the Commission. Such action by the Commission may result in the rates being higher or lower than those proposed by the WSCK.

Any corporation, association, body politic or person may by timely motion, within 30 days of this Notice, request intervention in this case. Intervention beyond the 30 day period may be granted for good cause shown. The Motion must be submitted to the Public Service Commission, 211 Sower Blvd., Box 615, Frankfort, Ky. 40602 and should state the grounds for the request, including the interest and status of the party. Intervenor may obtain copies of the Application and any testimony filed by contacting WSCK at the address below. A copy of the Application is available for public review at the office of WSCK and at the Public Service Commission, 211 Sower Blvd., Frankfort, Ky. 40601, (502) 564-3940.

Steve Lubertozi
Water Service Corporation of Kentucky
2335 Sanders Road
Northbrook, Illinois 60062
(847) 498-6440

Local Office:
1221 East Cumberland Avenue
P.O. Box 818
Middlesboro, Kentucky 40965
(606) 248-5730

	<u>Current Rates (per 1,000 gallons):</u>	<u>Proposed Rates (gallonage):</u>	<u>Average Bill Dollar Increase:</u>	<u>Average Bill Percentage Increase:</u>
5/8" meters	First 1,000 (minimum)	\$5.60	\$8.85 Base charge	\$8.79 66.89%
	Next 9,000	\$2.25	\$3.01 Per 1,000 gallons	
	Next 15,000	\$2.05		
	Next 25,000	\$1.95		
	Next 50,000	\$1.75		
	Over 100,000	\$1.60		
1" meters	First 6,000 (minimum)	\$16.85	\$22.12 Base charge	\$33.58 81.17%
	Next 4,000	\$2.25	\$3.01 Per 1,000 gallons	
	Next 15,000	\$2.05		
	Next 25,000	\$1.95		
	Next 50,000	\$1.75		
	Over 100,000	\$1.60		
1 1/2" meters	First 13,000 (minimum)	\$32.00	\$44.25 Base charge	\$86.50 86.21%
	Next 12,000	\$2.05	\$3.01 Per 1,000 gallons	
	Next 25,000	\$1.95		
	Next 50,000	\$1.75		
	Over 100,000	\$1.60		

2" meters	First 21,400 (minimum)	\$49.22	\$70.79	Base charge	\$147.89	98.52%
	Next 3,600	\$2.05	\$3.01	Per 1,000 gallons		
	Next 25,000	\$1.95				
	Next 50,000	\$1.75				
	Over 100,000	\$1.60				
3" meters	First 68,400 (minimum)	\$137.55	\$132.74	Base charge	\$407.86	106.43%
	Next 31,600	\$1.75	\$3.01	Per 1,000 gallons		
	Over 100,000	\$1.60				
4" meters	First 127,500 (minimum)	\$236.85	\$221.23	Base charge	\$321.32	135.66%
	Over 127,500	\$1.60	\$3.01	Per 1,000 gallons		
6" meters	First 281,500 (minimum)	\$483.25	\$442.45	Base charge	\$2,174.67	106.55%
	Over 281,500	\$1.60	\$3.01	Per 1,000 gallons		

	<u>Current Rates (flat):</u>	<u>Proposed Rates (flat):</u>	<u>Average Bill Dollar Increase:</u>	<u>Average Bill Percentage Increase:</u>
Industrial city special	\$98.44	\$123.05	\$24.61	25.00%
Commercial city sprinkler	\$15.00	\$18.75	\$3.75	25.00%
Industrial city sprinkler	\$15.00	\$18.75	\$3.75	25.00%
Commercial city special	\$30.00	\$37.50	\$7.50	25.00%
Commercial county special	\$45.00	\$56.25	\$11.25	25.00%
Commercial county special	\$315.00	\$393.75	\$78.75	25.00%
Government city special	\$30.00	\$37.50	\$7.50	25.00%
Government city special	\$105.00	\$131.25	\$26.25	25.00%
Commercial city special	\$45.00	\$56.25	\$11.25	25.00%
Commercial city special	\$60.00	\$75.00	\$15.00	25.00%
Industrial city sprinkler	\$60.00	\$75.00	\$15.00	25.00%
Industrial city special	\$75.00	\$93.75	\$18.75	25.00%
Government city hydrant	\$3.33/hydrant	\$4.16/hydrant	\$0.83	24.92%