

CANNONSBURG WATER DISTRICT  
1606 CANNONSBURG ROAD  
ASHLAND, KY 41102  
606-928-9808  
FAX# 606-928-4788  
[www.cannonsburgwater.com](http://www.cannonsburgwater.com)

RECEIVED

JAN 18 2006  
PUBLIC SERVICE  
COMMISSION

JANUARY 17, 2006

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

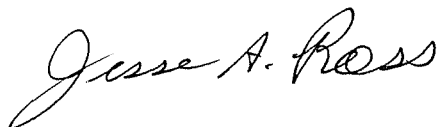
MIKE BURFORD  
DIRECTOR DIVISION OF FILINGS

RE: CASE NO. 20006-00007

AS IN REGARDS TO THE FILING DEFICIENCY CONCERNING A  
COPY OF SUPPLIER'S NOTICE OF THE CHANGED RATE AND THE  
EFFECTIVE DATE, PLEASE FIND ENCLOSED TEN (10) COPIES OF  
THE LETTER REQUESTED.

WE ARE SORRY FOR THE INCONVENIENCE.

SINCERELY,



JESSE A. ROSS  
MANAGER  
CANNONSBURG WATER DISTRICT



Office of City Manager

Post Office Box 1839  
Ashland, Kentucky 41105-1839

Telephone: (606) 327-2002  
Fax: (606) 327-2055

For Hearing Impaired - TDD (606) 327-2097

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JAN 18 2006

PUBLIC SERVICE  
COMMISSION

Jesse Ross, Manager  
Cannonsburg Water District  
1606 Cannonsburg Road  
Ashland, Kentucky 41102

August 11, 2005

Dear Mr. Ross: *Jess*

The City of Ashland has substantially completed our \$17,000,000 water plant upgrade which allows the City to provide more water as you requested. Like your district, the City of Ashland faces increased costs in most areas of operations. The City of Ashland has not adjusted water rates for seven years.

The City of Ashland currently charges the Cannonsburg Water District a bulk water rate of \$1.20 per 1,000 gallons. This is less than that charged other bulk purchasers.

The Ashland Board of City Commissioners recently approved rate increases for all Ashland customers, effective October 1, 2005. The percent increase is the same for all customers, inside the city and outside, as well as, bulk purchasers.

Because of the need for Cannonsburg District to proceed through the Public Service Commission the City anticipates your rate to change effective January 1, 2006. Your rates would be: \$1.32 per 1000 gallons, effective January 1, 2006, and \$1.43 per 1000 gallons, effective January 1, 2007.

Meanwhile we will continue to work with you on the revised agreement that provides additional water to Cannonsburg Water District and revises the contractual restrictions on expansion of Cannonsburg water lines in geographical areas beyond Ashland's capability to serve. I would anticipate our next draft to get to you within a few weeks. Thank you for your time yesterday.

Sincerely,

*Bill*  
William H. Fisher Jr.  
City Manager  
City of Ashland

cc: Honorable Mayor and City Commissioners