

May 24, 2010

Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Post Office Box 615
Frankfort, KY 40602

RECEIVED

MAY 25 2010

PUBLIC SERVICE
COMMISSION

Re: Hickory Water District Rate Case No. 2009-00350

Dear Sirs:

The Commissioners of the Hickory Water District have reviewed the Commission Staff Report dated May 11 in the above-referenced rate case. Hickory notes that Staff's Report determined that Hickory's recommended revenue requirement would justify a 66.55% rate increase due to the contractual costs associated with the Mayfield operational and maintenance contract. Hickory requested only a 20% increase, but agrees at this time that an additional increase would be warranted.

Therefore, we are now requesting that the Commission approve final rates in this case that are 20% higher across-the-board than the rates recommended by Staff in Appendix C of the Staff Report. These approved rates would be 20% higher at each rate step, as shown on the attached page, but still much lower than the 66.55% increase suggested in the Staff Report. Hickory is aware that the Commission's standard practice would be to require Hickory to re-notify customers of the suggested approved rates. We will do so as soon as possible and provide the Commission with evidence that this re-notification has occurred within the next few weeks.

If you need to contact me to discuss this matter, I can be reached at (270) 856-4300.

Sincerely,



Sam Davis, Chairman
Hickory Water District

Hickory - New Rates with Additional 20% increase

¾ INCH WATER METER CONSUMPTION

First 2,000 Gallons	10.26 Minimum Bill	\$12.32 Min.
Next 3,000 Gallons	3.48 Per 1,000 Gallons	4.18 per th.
Next 5,000 Gallons	3.24 Per 1,000 Gallons	3.89 per th.
Next 10,000 Gallons	3.00 Per 1,000 Gallons	3.60 per th.
Next 30,000 Gallons	2.16 Per 1,000 Gallons	2.60 per th.
Next 50,000 Gallons	1.80 Per 1,000 Gallons	2.16 per th.
All over 100,000 Gallons	1.50 Per 1,000 Gallons	1.80 per th.

1 INCH WATER METER CONSUMPTION

First 6,000 Gallons	23.94 Minimum Bill	\$28.73 Min.
Next 4,000 Gallons	3.24 Per 1,000 Gallons	3.89 per th.
Next 10,000 Gallons	3.00 Per 1,000 Gallons	3.60 per th.
Next 30,000 Gallons	2.16 Per 1,000 Gallons	2.60 per th.
Next 50,000 Gallons	1.80 Per 1,000 Gallons	2.16 per th.
All over 100,000 Gallons	1.50 Per 1,000 Gallons	1.80 per th.

1 ½ INCH WATER METER CONSUMPTION

First 7,500 Gallons	28.80 Minimum Bill	\$34.56 Min.
Next 2,500 Gallons	3.24 Per 1,000 Gallons	3.89 per th.
Next 10,000 Gallons	3.00 Per 1,000 Gallons	3.60 per th.
Next 30,000 Gallons	2.16 Per 1,000 Gallons	2.60 per th.
Next 50,000 Gallons	1.80 Per 1,000 Gallons	2.16 per th.
All over 100,000 Gallons	1.50 Per 1,000 Gallons	1.80 per th.

2 INCH WATER METER CONSUMPTION

First 15,000 Gallons	51.90 Minimum Bill	\$62.28 Min.
Next 5,000 Gallons	3.00 Per 1,000 Gallons	3.60 per th.
Next 30,000 Gallons	2.16 Per 1,000 Gallons	2.60 per th.
Next 50,000 Gallons	1.80 Per 1,000 Gallons	2.16 per th.
All over 100,000 Gallons	1.50 Per 1,000 Gallons	1.80 per th.

3 INCH AND 4 INCH WATER METERS CONSUMPTION

First 100,000 Gallons	221.70 Minimum Bill	\$266.04 Min.
All over 100,000 Gallons	1.50 Per 1,000 Gallons	1.80 per th.