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January 12, 2010

RECEIVED

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

JAN 15 2010
PUBLIC SERVICE
COMMISSION

RE: **Case No. 2009-00459**

Dear Mr. Derouen:

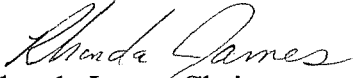
Mountain Water District is a special district created by Pike County Fiscal Court pursuant to KRS Chapter 74. The District provides public water service to 17,600 customers and sewer collection and treatment services to 2,300 customers. In that context, Mountain Water District presently has over 190 separate accounts with Kentucky Power Company for the provision of electric service to plants, pump and lift stations, telemetry sites, and offices. The majority of these accounts are billed by Kentucky Power Company under the SGS (Small General Service) tariff; twenty-five (25) of them are billed under the MGS (Medium General Service) tariff; and one is billed under the LGS (Large General Service) tariff. The average aggregate amount that the District currently pays Kentucky Power Company on a monthly basis for all of our accounts is well in excess of \$73,000.00.

We have done a preliminary assessment of the impact of the proposed increase in Kentucky Power rates on our own customers (copy attached). As you can see from this analysis, the increase in Mountain Water District's total monthly cost for power furnished by Kentucky Power Company as a result of the proposed rate changes will be \$14,500.00. For our water customers, this would mean an increase of \$.75 per customer per month; for sewer customers, it would result in an increase of \$.53 in their monthly bills. For those customers who receive both water and sewer service, the total monthly increase in their water/sewer bill would be \$1.28. Because we are required to recover all costs associated with water and sewer services from customer revenues, we will have no choice but to pass on the increase in electric costs to our customers through our own rate increases.

For this reason, Mountain Water District hereby submits its objection to the proposed rate increase by Kentucky Power Company and respectfully requests that it be allowed to

present its justification for such objection in any hearings that the Kentucky Public Service Commission holds regarding Kentucky Power Company's application for such rate increase.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rhonda James".

Rhonda James, Chairperson
Mountain Water District

Enclosure: "Mountain Water District / Analysis of Electric Bills"

Cc: Commissioners, Mountain Water District
Pike County Judge-Executive Wayne T. Rutherford
Grondall Potter, UMG Project Manager
Daniel Stratton, District Legal Counsel

MOUNTAIN WATER DISTRICT

ANALYSIS OF ELECTRIC BILLS

Acct Number	Meter Number	Location	Type	Average Monthly Bill			WATER ACCOUNTS	SEWER ACCOUNTS
				Small	Medium	Large		
Bill Number - 031-149-372-0-8								
3114937208	435941790	Blair Adkins St., Elkhorn City	Medium		\$3,202		\$3,202	
Bill Number - 033-183-453-0-7								
3318345307	323587429	43 Harless Creek, Regina	Large			\$17,962	\$17,962	
Bill Number - 030-278-322-5-6								
396500657	Not Listed	Curry Branch	Small	\$12			\$12	
301800356	Not Listed							
322800356	Not Listed	6358 Zebulon Hwy.	Small	\$18			\$18	
331800356	428777286	Winns Branch OfficeMaintenance Shop	Small	\$231			\$231	
340800356	533755708	Winns Branch Office-Conference Room	Small	\$60			\$60	
361800356	428777288	Winns Branch Office-Office	Small	\$363			\$363	
Bill Number - 036-948-610-0-0								
315610870	190227040	Mitchell Road-Colley Hills Lift Station	Small	\$26				\$26
348118500	428778087	Cantrary Hollow-BPS	Small	\$21			\$21	
348944860	533730151	Branham Hts-BPS	Small	\$16			\$16	
351783100	533753516	W. Sookeys Creek-Sookey II BPS	Small	\$15			\$15	
356749190	428778159	75 Lizzie Fork-BPS	Small	\$80			\$80	
359141470	435942909	Robinson Creek Rd Lift Station	Medium		\$2,402			\$2,402
360575710	428778158	Sarah Branham Hollow-BPS	Small	\$37			\$37	
366557490	435941505	KY Hwy 610 West-Virgie Middle Sch. Lift	Small	\$91				\$91
381564600	428778091	640 Little Robinson Creek-BPS	Small	\$147			\$147	
385862060	428778051	Sugar Camp Road-BPS	Small	\$37			\$37	
397485540	428353479	US Highway 23 S.-Lick Br. Lift Station	Small	\$189				\$189
303677870	428777713	Pond Creek Road	Small	\$62			\$62	
304930790	15023478	West Road, Canada-Coburn BPS II	Small	\$531			\$531	
336911550	436009050	SR 292, South Williamson-Sewer Wilson Ld	Small	\$39				\$39
344077410	428777717	State Hwy. 1056, Pinsonfork-Ball Fork BPS	Small	\$102			\$102	
378115170	435941267	27678 US Hwy 119 N.-Belfry High Lift St	Small	\$31				\$31
395923860	428780528	US Highway 119 N.	Small	\$80			\$80	
380776710	428780449	New Camp Road Lift Station-Sewer	Small	\$55				\$55
Bill Number - 035-602-253-0-6								
303491650	533649941	Motley Road-BPS	Small	\$93			\$93	
305432210	533611220	Feds Creek Dicks Fork-Telemetry	Small	\$13			\$13	
308539710	533770783	Trace Fork-BPS Pnewmatic	Small	\$14			\$14	
320710460	428778055	Pritchard Fork-BPS	Small	\$82			\$82	
324667150	190235128	6332 Zebulon Hwy	Small	\$84			\$84	
326335050	190228436	Elswick Fork Road-Lick Br. BPS	Small	\$50			\$50	
328259870	533743866	Abshire Hollow	Small	\$42			\$42	
332173880	190228969	Elkhorn Fork-Telemetry	Small	\$13			\$13	
335755250	533650423	Grapevine Road-Telemetry	Small	\$13			\$13	
340229560	428003908	Feds Creek Road-BPS	Small	\$255			\$255	
346156300	532587359	10385 State Hwy. 194 E.	Small	\$14			\$14	
346797880	Not Listed	State Hwy. 194 E.	Small	\$239			\$239	

MOUNTAIN WATER DISTRICT

ANALYSIS OF ELECTRIC BILLS

Acct Number	Meter Number	Location	Type	December 2008-November 2009			Average Monthly Bills	
				Average Monthly Bill			WATER ACCOUNTS	SEWER ACCOUNTS
				Small	Medium	Large		
348204800	435941660	Grapevine Road-Anderson BPS	Medium		\$2,262		\$2,262	
362305230	533769681	Bent Branch Road	Small	\$17			\$17	
397965620	428003905	State Hwy. 194 E.	Small	\$35			\$35	
307365870	533651723	69 Abby Branch-BPS	Medium		\$2,459		\$2,459	
352679160	533969040	Abes Branch-BPS	Small	\$19			\$19	
358268830	533593013	Owens ForkBPS	Small	\$41			\$41	
361943700	533080635	Falls Branch	Small	\$36			\$36	
361971750	321245793	Widows Branch-BPS	Medium		\$779		\$779	
379711410	532587122	Grassy Creek, Jamboree-BPS	Small	\$42			\$42	
384343770	428778151	675 Bone Branch-BPS	Small	\$51			\$51	
392936730	428778185	State Hwy. 194 E.-Upper Peter Ck.	Small	\$94			\$94	
397111070	428778152	Beech Creek-BPS	Small	\$82			\$82	
Bill Number - 035-655-472-0-9								
322900352	533745962	Zebulon Hwy.	Small	\$111			\$111	
329100269	533959584	Shelby Dry Fork 19-Sewer	Small	\$67				\$67
366300155	190228989	Keene Village Drive-Sewer	Small	\$94				\$94
381800357	533741241	Mountain View Ct. V70-Sewer	Small	\$94				\$94
386700434	533731451	Branham Hts-Sewer	Small	\$86				\$86
Bill Number - 035-510-364-0-7								
300283140	428780168	Blaze Branch	Medium		\$677		\$677	
302500241	428778052	Greasy Creek-Upper Greasy Crk.	Small	\$71			\$71	
306600734	15069166	Long Fork Road, Virgie	Small	\$197			\$197	
308200457	428330016	Bent Branch Road 05 JC-Cabin Knoll BPS	Small	\$674			\$674	
310700243	428783386	Upper Chloe Creek 36CC	Small	\$108			\$108	
313348410	428778090	Spring BranchBPS	Small	\$36			\$36	
314800859	15069165	Grapevine Rd	Small	\$24			\$24	
315800654	428777956	Long Fork Road, Virgie	Small	\$64			\$64	
318500249	428778089	Gillispie Branch-BPS	Small	\$31			\$31	
319500239	190229754	Town Mountain Road-Telemetry	Small	\$14			\$14	
323600543	15027498	Marrowbone Crk Rd. 40MC	Small	\$134			\$134	
325300046	435943554	Greasy Creek	Small	\$338			\$338	
329600357	428780171	Town Mountain Road 48BC	Small	\$41			\$41	
333300209	428778046	Cowpen Road	Small	\$71			\$71	
335800658	90054521	Upper Johns Creek-Phelps	Medium		\$1,907		\$1,907	
340300205	428057456	Cowpen Road	Small	\$310			\$310	
341900240	190235340	Peyton Creek-BPS	Small	\$55			\$55	
342000539	428783582	US Highway 23 S 45SV-Caney BPS	Medium		\$1,882		\$1,882	
343000046	428777176	Dorton Creek Left 46DCDorton Hill BPS	Small	\$68			\$68	
346700657	428777990	Layne Branch-BPS	Small	\$79			\$79	
349958961	533745515	Brushy Mountain-Telemetry	Small	\$15			\$15	
355145760	43640658	S. Mayo Trail-Indian Hills-BPS	Medium		\$3,176		\$3,176	
357600248	428777882	Kendrick Fork 35CCBPS	Small	\$104			\$104	
367800650	435943692	Gabriel Branch-Phelps BPS	Medium		\$1,593		\$1,593	

MOUNTAIN WATER DISTRICT

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Acct Number	Meter Number	Location	Type	December 2008-November 2009			Average Monthly Bills	
				Average Monthly Bill			WATER ACCOUNTS	SEWER ACCOUNTS
				Small	Medium	Large		
368300153	428777987	Grassy Branch 43RC-Upper Grassy II BPS	Small	\$27			\$27	
370100231	216608055	Left Fork of Island Crk 441C-BPS	Small	\$169			\$169	
377500547	428778050	Greenough CP	Small	\$87			\$87	
386900249	428777962	Slones Branch-BPS	Small	\$80			\$80	
389600654	435943483	Meathouse Rd. 08JC-Kimper	Small	\$688			\$688	
389700542	217830751	Marrowbone Crk Rd. 39MC-Kimper	Small	\$19			\$19	
389800430	216651372	W. Sookeys Creek 42SV-Sooke I	Medium		\$1,554		\$1,554	
394300454	97217831	St. Hwy 194 E. 07JC	Small	\$568			\$568	
395300453	428057457	Bent Branch Rd. 06JC	Small	\$218			\$218	
397400732	428057573	Indian Creek Rd.-BPS	Small	\$180			\$180	
398136760	533609704	Lower Pigeon-BPS	Small	\$39			\$39	
302700530	428778146	Rockhouse Fork 33BC-BPS	Small	\$56			\$56	
310400642	323626847	Upper Blackberry Rd. 28BB-Dials Br.	Small	\$426			\$426	
312400649	428777716	Left Fork Blackberry Rd. 30BB-BPS	Small	\$87			\$87	
316200332	533609282	Stratton Fork 13 JC-BPS	Small	\$51			\$51	
319054080	15023491	Jerry Bottom Road-Coburn BPS	Small	\$125			\$125	
320900624	428778182	US Hwy. 119 N.	Small	\$49			\$49	
326395680	321194037	Barrenshee Creek-BPS	Small	\$154			\$154	
330000032	428777714	Octavia Loop-BPS	Small	\$157			\$157	
332200427	321297528	Forest Hills Road-BPS	Small	\$318			\$318	
332500343	428777719	Narrows Branch-BPS	Small	\$86			\$86	
334200722	428778188	Runyon Branch Road	Small	\$49			\$49	
336600341	428777712	Mudlick Road-BPS	Small	\$61			\$61	
340100339	533610412	Benton Fork 14 JC-BPS	Small	\$28			\$28	
344600345	435942917	State Hwy. 319 27PC-Caney, Turkey Toe B	Medium		\$779		\$779	
346200425	533650079	Forest Hills Road Lift Station-Sewer	Small	\$47				\$47
351700040	428777720	Nosben Frok 18PCBPS	Small	\$280			\$280	
355100729	428003866	Pond Creek Rd 25PC	Small	\$121			\$121	
357000722	321415526	Jerry Bottom Road 24PC-Stone	Medium		\$681		\$681	
368500643	428777718	Upper Blackberry Rd. 31BB-BPS	Small	\$91			\$91	
372900629	428777715	Pecco Hollow-BPS	Small	\$64			\$64	
373349380	533601844	Widows Branch-Telemetry	Small	\$14			\$14	
373846620	532208946	Pecco Hollow-BPS	Small	\$14			\$14	
382500341	435943503	Hardy Lane 26 PC-Hardy BPS	Medium		\$1,189		\$1,189	
382700345	428777711	Peter Fork Road 32BB-BPS	Small	\$51			\$51	
383800628	435942025	US Hwy 119 N.	Medium		\$795		\$795	
386000273	428777710	Smith Fork Rd	Small	\$126			\$126	
397500044	217933931	Long Branch Rd. 17BCBPS	Medium		\$465		\$465	
Bill Number 031-985-610-0-7								
313498410	538254827	Wolfpit Branch Rd	Small	\$132			\$132	
315289550	428778088	Marrowbone Creek Rd	Small	\$48			\$48	
318497250	533736898	Road Creek Rd-Telemetry	Small	\$17			\$17	
320204630	190051278	Booker Fork	Small	\$128			\$128	

MOUNTAIN WATER DISTRICT

ANALYSIS OF ELECTRIC BILLS

Acct Number	Meter Number	Location	Type	December 2008-November 2009			Average Monthly Bills	
				Average Monthly Bill			WATER ACCOUNTS	SEWER ACCOUNTS
				Small	Medium	Large		
323197500	428778086	Biggs Branch-BPS	Small	\$55			\$55	
332550150	428777175	Mills Branch	Small	\$59			\$59	
334252360	428778082	Lick Fork Rd	Small	\$107			\$107	
335070650	428778056	181 Kelly Mountain Road-BPS	Small	\$67			\$67	
337425840	190234576	Ceder Creek Rd.	Small	\$15			\$15	
346001020	533611632	Ferrells Creek Rd.	Small	\$16			\$16	
359561710	190222870	Lick Creek Rd	Small	\$15			\$15	
367214160	428778785	N. Heritage Dr.	Small	\$273			\$273	
370074740	533768864	1431 Upper Chloe Creek-Telemetry	Small	\$13			\$13	
383731310	435941615	Sutton Bottom Right St-BPS	Medium		\$3,257		\$3,257	
385572870	428777989	Powells Creek-BPS	Small	\$125			\$125	
390680980	Not Listed	Wolfpit Branch Rd-BPS	Small	\$14			\$14	
393434540	217959951	Abner Fork Rd-BPS	Medium		\$2,996		\$2,996	
395777970	428780174	Marrowbone Creek Rd	Medium		\$1,426		\$1,426	
300475020	428778187	Hurricane Creek	Small	\$61			\$61	
335666420	533603170	US Highway 119 N.	Small	\$98			\$98	
342787430	435943514	Pounding Mill Road	Medium		\$1,640			\$1,640
344974200	532701887	Hardy Lane-Telemetry	Small	\$13			\$13	
349891920	435941140	Billy Dotson Branch Lift Station-Sewer	Small	\$89				\$89
350308720	190331439	Barrenshee Creek-Telemetry	Small	\$13			\$13	
359575990	533609168	10582 State Hwy 1056-Auburn Hollow	Small	\$23				\$23
388882630	435941006	Pounding Mill Rd Lift Station-Sewer	Small	\$131				\$131
Bill Number - 037-080-035-6-5								
3708003565	428777287	Winns Branch Office-Admin.Downstairs	Medium		\$358		\$358	
Bill Number 024-263-075-1-4								
2426307514	533476077	Hatfield Bottom	Small	\$9			\$9	
Bill Number - 034-820-310-4-8								
3482031048	436009237	UMG-158 Town Mtn. Rd. Unit 101	Small	\$120			\$120	
Bill Number - 033-006-651-0-0								
3300665100	532473776	Little Creek	Small	\$133			\$133	
Bill Number - 031-345-332-0-1								
3134533201	435941271	Robinson Creek Rd.-Sugar Camp Lift Sta	Small	\$22				\$22
Bill Number - 038-678-972-1-1								
3867897211	435941007	State Hwy 194 E.-Phelps Intersection LS	Medium		\$353			\$353
Bill Number - 032-022-915-0-0								
3202291500	428178998	State Highway 194 E.	Medium		\$1,009		\$1,009	
Bill Number - 035-109-984-3-2								
322175340	428780450	Goody Rd-Appa Plaza Lift Station	Small	\$93				\$93
345663530	428780448	Wilson Loop Lift Station	Small	\$77				\$77
345897540	321437171	Taylor Fork Lift Station	Small	\$31				\$31
376203930	435941110	Central Avenue Lift Station	Small	\$203				\$203
380902800	435942952	Pond Creek Rd Sewage	Small	\$128				\$128
396522450	428003867	Turkey Creek Rd Lift Station	Small	\$63				\$63

MOUNTAIN WATER DISTRICT

ANALYSIS OF ELECTRIC BILLS

ANALYSIS OF ELECTRIC BILLS				December 2008-November 2009			Average Monthly Bills	
Acct Number	Meter Number	Location	Type	Average Monthly Bill			WATER ACCOUNTS	SEWER ACCOUNTS
				Small	Medium	Large		
Bill Number - 038-620-762-3-3								
3862076233	221017692	351 River Road Lift Station	Small	\$72				\$72
Bill Number - 033-504-214-0-4								
3350421404	532472057	Elswick Branch	Small	\$118			\$118	
Bill Number - 033-266-248-0-0								
3326624800	532472110	425 Sunny Fork	Small	\$34			\$34	
Bill Number - 039-000-064-1-6								
3900006416	90052624	Marrowbone WTP	Small	\$97			\$97	
Bill Number - 037-400-938-0-6								
3740093806	533080653	Caney Fork	Small	\$26			\$26	
Bill Number - 031-116-526-0-2								
3111652602	533116811	Joes Creek	Small	\$80			\$80	
Bill Number - 035-987-385-0-2								
3598738502	435941643	47 Maynard Dr., Raccoon.	Medium		\$283		\$283	
Bill Number - 031-373-924-0-7								
3137392407	532913568	3405 1/2 State Hwy. 292 E.	Small	\$126			\$126	
Bill Number - 035-425-224-0-8								
3542522408	190220711	Calahan Branch-BPS	Small	\$178			\$178	
Bill Number - 031-701-911-0-4								
3170191104	428353417	Lower Pompey Rd.	Medium		\$1,666		\$1,666	
Bill Number - 032-572-144-0-7								
3257214407	532897256	Left Fork of Joes Creek	Small	\$14			\$14	
Bill Number - 037-983-880-1-7								
3798388017	190230272	Dry Branch BPS	Small	\$114			\$114	
Bill Number - 031-110-914-0-5								
3111091405	532897373	Poor Bottom Rd	Small	\$172			\$172	
Bill Number - 038-831-540-0-1								
3883154001	533755238	Jimmies Creek Rd	Small	\$76			\$76	
Bill Number - 033-556-947-0-8								
3355694708	532472058	Little Robinson Creek	Small	\$74			\$74	
Bill Number - 036-827-158-0-4								
3682715804	533606039	Honey Fork	Small	\$21			\$21	
Bill Number - 033-296-792-0-7								
3329679207	533769605	Jimmies Creek Rd	Small	\$14			\$14	
Bill Number - 036-957-862-0-6								
3695786206	533649991	Marrowbone Dry Fork	Small	\$28			\$28	
Bill Number - 031-392-025-0-5								
3139202505	533503717	Bent Br. Rd.	Small	\$13			\$13	
Bill Number - 033-958-874-0-3								
3395887403	428783723	Hwy 805-Burdine	Small	\$94			\$94	
Bill Number - 035-322-222-0-9								
3532222209	533760628	Dix Fork	Small	\$19			\$19	
Bill Number - 032-774-291-0-0								

MOUNTAIN WATER DISTRICT

ANALYSIS OF ELECTRIC BILLS

Acct Number	Meter Number	Location	Type	December 2008-November 2009			Average Monthly Bills	
				Average Monthly Bill			WATER ACCOUNTS	SEWER ACCOUNTS
				Small	Medium	Large		
3277429100	534164854	Smith Fork	Small	\$23			\$23	
Bill Number - 038-790-510-0-5								
3879051005	190235064	Winns Br.	Small	\$97			\$97	
Bill Number - 031-560-411-2-5								
3156041125	190231228	Daniels Br.	Small	\$116			\$116	
Bill Number - 035-766-933-0-7								
3576693307	533749462	Mall Rd.	Small	\$14			\$14	
Bill Number - 034-065-629-0-4								
3406562904	533730950	1539 Hurricane Fork BPS	Small	\$74			\$74	
Bill Number - 039-618-842-1-4								
3961884214	533764359	Dry Branch Tank	Small	\$14			\$14	
Bill Number - 032-353-375-0-2								
3235337502	533775655	Lower Camp Br.	Small	\$83			\$83	
Bill Number - 037-255-437-0-0								
3725543700	428778576	Pond Creek Rd.	Small	\$84			\$84	
Bill Number - 037-826-401-0-0								
3782640100	533765275	1368 Dorton Creek	Small	\$51			\$51	
Bill Number - 030-227-812-0-1								
3022781201	428778573	Broadhead Hollow-Toler	Small	\$38			\$38	
Bill Number - 035-446-525-0-0								
3544652500	533746311	Deadening Fork	Small	\$22			\$22	
Bill Number - 039-736-041-0-5								
3973604105	533738413	Little Robinson Creek	Small	\$94			\$94	
Bill Number - 031-153-722-0-7								
3115372207	428783936	Collins Hwy.	Small	\$35			\$35	
Bill Number - 034-118-233-0-9								
3411823309	533750526	Dorton Jenkins Hwy.	Small	\$53			\$53	
Bill Number - 038-426-292-0-0								
3842629200	533759202	Harless Creek-Trailer	Small	\$60			\$60	
Bill Number - 037-047-943-0-8								
3704794308	533776196	Bent Br-Scott Fk BPS	Small	\$15			\$15	

Aggregate Totals / All Accounts

Number of Accounts

Average Bill by size

\$15,617	\$38,791	\$17,962
167	25	1
\$93.52	\$1,551.64	\$17,961.90

Proposed Increase (%)

Total Monthly Increase All Accounts

20.99%	19.73%	19.95%
\$3,278	\$7,653	\$3,583

TOTAL ADD'L EXPENSE MWD

\$14,515

\$66,226

\$6,145

\$13,286

\$1,229

\$13,286

\$1,229

MOUNTAIN WATER DISTRICT

ANALYSIS OF ELECTRIC BILLS

Acct Number	Meter Number	Location	Type
Total Number of MWD Customers			
Monthly Increase Per MWD Customer			

December 2008-November 2009		
Average Monthly Bill		
Small	Medium	Large

Average Monthly Bills	
WATER ACCOUNTS	SEWER ACCOUNTS
17,600	2,300
\$0.75	\$0.53