

Estill County Water District No. 1

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RECEIVED

APR - 8 2010

PUBLIC SERVICE
COMMISSION

Greg Wright
Chairman

Jerry Arnold
Secretary

William Beard
Treasurer

Public Service Commission
PO Box 615
Frankfort, KY 40602-0612

Re: Request for rate increase review

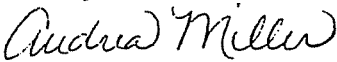
To Whom It May Concern:

The Estill County Water District recently received the enclosed notice, from the Irvine Municipal Utilities, advising the District of a proposed rate increase of 2.7 percent. While the District understands the need for IMU to raise their customers rate we do not feel the increase should carry over to the District, which is a wholesale company. We are writing to ask the Public Service Commission to intervene and review the rate set forth by Irvine Municipal Utilities to insure the appropriateness of the proposed increase.

It is the Districts understanding that this increase is due to an ordinance set forth by the City of Irvine and this increase will be an annual occurrence. We feel that in all fairness to our customers we need justification of this rate in order to pass it on to them. The District takes pride in offering its 4,000 water customers potable water at a fair rate that has been justified by the District and approved by the Public Service Commission, therefore we feel the rate set forth by our wholesale provider should be reviewed as well.

We would like to thank you for taking the time to review this wholesale rate and to guarantee its fairness so that the District can assure its customers that the increase is a much needed and very fair occurrence. If you have any questions, please feel free to contact our office at the number above.

Thank you,

for


Greg Wright
Chairman
Estill County Water District