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November 16, 2015

Jeff R Devouen, Executive Director  
Kentucky Public Service Commission  
PO Box 615  
211 Sower Boulevard  
Frankfort, KY 10602-0615

RECEIVED  
NOV 23 2015  
PUBLIC SERVICE  
COMMISSION

RE: Mountain Water District Adjustment  
For Water & Sewer Rates  
Case No 2014-00342

Dear Mr. Devouen:

Please consider this letter as a request for you to revisit the decision with regards to the above reference Case (No 2014-00342) as it relates to the purchase of water by the City of Elkhorn City from Mountain Water District.

Elkhorn City had a stand alone Utility District until a few years ago our water intake system became inoperable and we installed a metering station and began purchasing water from Mountain Water District. We are continuing to purchase water for our system today.

Elkhorn City has its own wastewater treatment facility that we operate for our community. We currently had a project underway of \$3.375M for a substantial modification of our wastewater treatment facility. Our waste water system has very little debt (approximately \$750T dollars). This debt is financed through KIA and has an annual debt service of \$30,000 annually. Thus our wastewater system does not need significant budgetary changes. The only modification will be to comply with KIA's requirement to increase our rates to meet the debt service payments.

Mountain Water District's wastewater system is independent of Elkhorn City's wastewater district and we each must provide for operation and maintenance of our own systems. The three steps outlined as "Appendix A", "Appendix B" and "Appendix C" are not appropriate for the bulk purchase of water. It in effect makes the customers of the Elkhorn City Water District pay for the wastewater user in the Mountain Water district by utilizing "Appendix A" and "Appendix B".

We would therefore request the decision be modified to allow for the bulk purchase of water by Elkhorn City to go immediately to the rates identified in "Appendix C" and allow us to utilize sewer rates that is appropriate to our customers that will meet our operation and maintenance needs.

Thank you for your consideration



Mike Taylor, Mayor  
Elkhorn City

DS/mm

Cc: Mountain Water District  
6332 Zebulon Highway  
PO Box 3157  
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