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NEWS RELEASE

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PSC OKs City of Murray Purchase of Murray Water District #2 *Transaction will increase rates for about 290 customers in Calloway County*

FRANKFORT, Ky. (Feb. 27, 2020) – The Kentucky Public Service Commission (PSC) has approved the merger of Murray Water District #2 into the city of Murray's water system.

In an order issued today, the PSC found that the city of Murray – a much larger water system – has the necessary financial, technical and managerial ability to provide reasonable service and that the transaction is in the public interest, as required by state law.

Murray Water District has about 290 customers in Calloway County. The city of Murray system, which already provides water and services to the district, has about 9,250 customers.

The city of Murray previously acquired Murray Water District #1 and Murray Water District #3.

Evidence submitted by the city and the district stated that Murray Water District #2 has no cash reserves and thus limited capacity to respond to emergencies. The city system has much greater operational and financial capabilities, the applicants said.

Once the transfer is finalized, Murray Water District #2's customers will begin paying the rate charged by the city of Murray to customers located outside the city limits. A residential customer using 2,000 gallons per month will see an increase of about \$9 per month – from the current \$11.67 charged by the district to the city's rate of \$20.54. The PSC has no jurisdiction over the rates and service of municipal utilities such as the city of Murray's.

The joint application was filed on November 13, 2019. There were no other parties to the case and no hearing was requested or held.

Today's order and other records in the case are available on the PSC website, psc.ky.gov. The case number is 2019-00413.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,100 gas, water, sewer, electric and telecommunication utilities operating in Kentucky.

-30-

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