



City of Midway
P.O. Box 4275
Midway, Kentucky 40347-4275
Tom Bozarth, Mayor

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PUBLIC SERVICE
COMMISSION

July 27, 2010

VIA FACSIMILE (502-564-9625) and U.S. MAIL

Mr. Jeff R. Derouen, Executive Director
Kentucky Public Service Commission
P. O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

Re: Kentucky American Water Company
Case No. 2010-00036

Dear Mr. Derouen:

On behalf of the City of Midway, Kentucky, which purchases its water from Kentucky American Water Company and serves 740 customers, the City is strongly opposed to Kentucky American Water Company's proposed rate increase of 37%. As a purchaser and provider of water, the City of Midway would be required to pass this rate increase directly on to its citizen consumers. Such a rate increase would seem to be unprecedented.

Given that the rate of inflation is less than 1% for the current year, and that the Consumer Price Index for the past twelve months has increased only 1.1%, the rate increase proposed by Kentucky American Water Company is abhorrently high and is unreasonable, unjust and unfair to consumers during these difficult economic times especially when unemployment is at a modern day unprecedented high. A rate increase to customers should be in line with current economic conditions and certainly should not exceed five percent (5%) which is well above inflationary and consumer price index increases over the past twelve (12) months.

The City submits this letter of opposition to Kentucky American Water Company's proposed rate increase and requests that it be considered by the Commission as part of the public comment process.

Sincerely,

Tom Bozarth
Mayor

cc: Mark C. Frost
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Council Members

Aaron Hamilton, Diana Queen, Sheila Redmond, Sharon Turner, Matt Warfield, Charlann Wombles
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