

## REASONS FOR APPLICATION FORM

**(In the space below list all reasons why the Applicant requires a rate adjustment. Describe any event or occurrence of significance that may affect the Applicant's present or future financial condition, including but not limited to excessive water line losses, regulatory changes, major repairs, planned construction, and increases in wholesale water costs.)**

The proposed increase in the rates and charges is necessary for Muhlenberg County Water District #3 to meet continuing demand for adequate service. It has been approximately 1 year since Muhlenberg County Water District #3 last requested and received a general increase in its base water rates. Case No. 2010-00359, Application of Muhlenberg County Water District #3 for Approval of a Proposed Increase in Rates for Water Service (Ky. PSC Sept. 8, 2010). An increase in its rates is essential for Muhlenberg County Water District #3 to maintain a reasonable level of service to meet the expanding needs of its service area and to cover its debt service requirements.