

Reasons for Application

West Laurel Water Association, Inc. (“the Association”) is requesting a 9.5 percent rate increase for all its water customers. The rate increase will generate approximately \$243,098 in additional annual revenue. The District needs the rate increase for the following reasons:

1. To enable the District to pay its annual principal payments on its existing long-term debt from water revenues rather than from depreciation reserves.
2. To enable the District to meet the requirements set forth in its existing debt instruments.
3. To restore the District to a sound financial condition; and
4. To enable the District to enhance its financial capacity so it can continue to operate its system in compliance with the federal Safe Drinking Water Act, as amended in 1996, and KRS Chapter 151.