



Edmonson County Water District

February 13, 2023

Ms. Linda Bridwell
Executive Director
Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

RE: Case No. 2023-00037
Edmonson County Water District
Alternative Rate Filing Adjustment – Sewer Division

Dear Ms. Bridwell:

Enclosed for filing in the referenced case is Edmonson County Water District's ARF Application for an adjustment to its sewer rates. This ARF Application is being filed pursuant to 807 KAR 5:076 and uses calendar year 2021 as the test year with appropriate adjustments to normalize revenues and expenses.

The District is requesting a 144.68 percent increase in its sewer rates to be implemented in two phases. The first phase will recover all normalized operating and maintenance expenses and 25 percent of full depreciation. The second phase will add revenue to recover a total of 50 percent of full depreciation. Full depreciation would result in much higher rates, however the District views such a huge increase as placing an unnecessary burden on its customers. All operating expenses and debt service is covered with the proposed rates, plus over \$20,000 per year will be available for deposit into the depreciation fund. The sewer system is relatively new, so this contribution to the depreciation fund is adequate for the next several years.

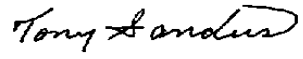
The District's sewer system began operations in 2006 and has not had any growth or new connections since its inception. The sewer system currently has only 57 customers. There is a very minimal amount of maintenance required to operate the system due to its age and the materials used for construction. The Sewer Division's cash accounts currently total approximately \$190,000 which is available to assist with any maintenance or replacements required.

The sewer system infrastructure is located within the city limits of Brownsville on the northern side of the Green River. The median household income for Brownsville is listed as less than \$36,000 according to census data and about 21 percent of families in Brownsville live in poverty. Raising rates to fully recover depreciation will cause an undue hardship on customers, especially since this additional revenue is not needed.

*This Institution is an Equal Opportunity Provider and Employer
P.O. Box 208 Brownsville, KY 42210 Phone (270)597-2165*

The Attorney General's Office of Rate Intervention has also been provided a copy of this application by electronic mail.

Sincerely,

A handwritten signature in black ink that reads "Tony Sanders". The signature is written in a cursive style with a large, sweeping initial "T".

Tony Sanders
General Manager

Enclosures