

'NOTICE OF PROPOSED RATE INCREASE CHARGES FOR HARRISON COUNTY WATER ASSOCIATION, INC.'S CUSTOMERS

All customers of the Harrison County Water Association, Inc., which serves the majority of Harrison County, parts of: Scott County, Bourbon County, Pendleton County, and Nicholas County, Kentucky, PLEASE TAKE NOTICE OF THE FOLLOWING:

The Harrison County Water Association, Inc. ("HCWA") is filing a rate adjustment request with the Kentucky Public Service Commission, pursuant to KRS. 278 AND 807 KAR 5:076, for the general summary of reasons stated herein, and particularly identified in its rate increase application filing, as referenced herein, and as directed by Order of the Kentucky Public Service Commission ("KY PSC") in the approval of the pass-through rate as authorized by the KY PSC in 2022-00354, on November 22, 2022. The Board in following the directive of KY PSC, and in review of the increasing costs of materials, services, and necessary system distribution replacement and/or growth; requires additional revenue to meet the projected needs of the HCWA versus its current revenue income, to continue to provide safe, reliable, and continuous palatable water to its customer's demands.

Therefore, pursuant to resolution and approved motion of the Board of Directors on or about April 24, 2023, for a rate increase adjustment, for the Harrison County Water Association, Inc., to increase rates to all of its customers; all pursuant to KRS 278 & 807 KAR 5:076; The Harrison County Water Association, Inc., is proposing an approximate (exact percentages stated) increase of Twenty (20%) percent, in all minimum monthly bills and all purchases over the minimum monthly billing usage, of each customer's purchased water and/or used for each of its customers. This rate for each category of meters, minimum purchase/use amounts and purchase/use amounts proposed for increase shall be as follows:

(The current rate is reflected in the chart with the new proposed rate)

THIS RATE DOES NOT REFLECT ANY PASS-THROUGH FEES/TAXES IMPOSED BY COUNTY GOVERNMENTS SUCH AS TAXES, FEES, 911 SURCHARGES, ETC.

A) 5/8 inch x 3/4 inch meter

CURRENT RATE

First 2,000 gallons	\$20.53 minimum bill
Next 1,000 gallons	\$0.00795 per gallon
Next 2,000 gallons	\$0.00777 per gallon
Next 45,000 gallons	\$0.00723 per gallon
Over 50,000.00 gallons	\$0.00631 per gallon

20% Increase

PROPOSED RATE ADJUSTMENT RATE

Percentage change Dollar change

First 2,000 gallons	\$24.83 minimum bill	0.209449586	\$4.30
Next 1,000 gallons	\$0.00955 per gallon	0.2012578616	\$0.00160
Next 2,000 gallons	\$0.00937 per gallon	0.2059202059	\$0.00160
Next 45,000 gallons	\$0.00872 per gallon	0.2060857538	\$0.00149
Over 50,000.00 gallons	\$0.00761 per gallon	0.206022187	\$0.001300

B) 3/4 inch Meter

CURRENT RATE

First 3,000 gallons	\$28.48 minimum bill
Next 2,000 gallons	\$0.00777 per gallon
Next 45,000 gallons	\$0.00723 per gallon
Over 50,000 gallons	\$0.00631 per gallon

20% Increase

PROPOSED RATE ADJUSTMENT RATE

Percentage change Dollar change

First 3,000 gallons	\$34.38 minimum bill	0.2071629213	\$5.90
Next 2,000 gallons	\$0.00937 per gallon	0.2059202059	\$0.00160
Next 45,000 gallons	\$0.00872 per gallon	0.2060857538	\$0.00149
Over 50,000 gallons	\$0.00761 per gallon	0.206022187	\$0.00130

C) 1 inch meter

CURRENT RATE

First 5,000 gallons	\$44.02 minimum bill
Next 45,000 gallons	\$0.00723 per gallon
Over \$50,000 gallons	\$0.00631 per gallon

20% Increase

PROPOSED RATE ADJUSTMENT RATE		Percentage change Dollar change	
First 5,000 gallons	\$53.02 minimum bill	0.2044525216	\$9.00
Next 45,000 gallons	\$0.00872 per gallon	0.2060857538	\$0.00149
Over \$50,000 gallons	\$0.00761 per gallon	0.206022187	\$0.00130

D) 1 ½ inch meter

CURRENT RATE

First 10,000 gallons	\$80.16 minimum bill
Next 40,000 gallons	\$0.00723 per gallon
Over 50,000 gallons	\$0.00631 per gallon

20% Increase

PROPOSED RATE ADJUSTMENT RATE		Percentage change Dollar change	
First 10,000 gallons	\$96.66 minimum bill	0.2058383234	\$16.50
Next 40,000 gallons	\$0.00872 per gallon	0.2060857538	\$0.00149
Over 50,000 gallons	\$0.00761 per gallon	0.206022187	\$0.00130

E) 2 inch meter

CURRENT RATES

First 15,000 gallons	\$103.99 minimum bill
Next 35,000 gallons	\$0.00723 per gallon
Over 50,000 gallons	\$0.00631 per gallon

20% Increase:

PROPOSED RATE ADJUSTMENT RATE		Percentage change Dollar change	
First 15,000 gallons	\$125.49 minimum bill	0.2067506491	\$21.50
Next 35,000 gallons	\$0.00872 per gallon	0.2060857538	\$0.00149
Over 50,000 gallons	\$0.00761 per gallon	0.206022187	\$0.00130

THIS RATE DOES NOT REFLECT ANY PASS -THROUGH FEES IMPOSED BY COUNTY GOVERNMENTS SUCH AS TAXES, FEES, 911 SURCHARGES, ETC.

The average usage for all users of all meter classification was 4384 gallons, wherein, the average bill for each meter classification at current rate and proposed increased rates with dollar change and percentage change are stated as follows:

- a) $\frac{3}{4}$ x 5/8 meter, has an average monthly bill of \$39.23. The proposed rate increase on the same average usage for the same meter category would increase to \$8.12, for a total bill of \$47.35 a month, a percentage change of 0.20698445067;
- b) $\frac{3}{4}$ Inch meter, has an average monthly bill of \$39.23. The proposed rate increase on the same average usage for the same meter category would increase to \$8.12, for a total bill of \$47.35 a month, a percentage change of 0.20698445067;
- c) 1 inch meter, has an average monthly bill of \$44.02. The proposed rate increase on the same average usage for the same meter category would increase to \$9.00, for a total bill of \$53.02 a month, a percentage change of 0.2044525216;
- d) 1 $\frac{1}{2}$ inch meter, has an average monthly bill of \$80.16. The proposed rate increase on the same average usage for the same meter category would increase to \$16.50 for a total bill of \$96.66 a month, a percentage change of 0.2058383234;
- e) 2 inch meter, has an average monthly bill of \$103.99. The proposed rate increase on the same average usage for the same meter category would increase to \$21.50, for a total bill of \$125.49 a month, a percentage change of 0.2067506491;

These proposed rate changes do not include pass through fees and taxes imposed by applicable local, state government,

THE RATE INCREASE PROPOSED WILL NOT BEGIN UNTIL THE PROPOSED RATES ARE APPROVED BY THE KENTUCKY PUBLIC SERVICE COMMISSION ("KY PSC") OR SIX (6) MONTHS HAVE EXPIRED FROM THE DATE OF FILING; WHEREIN, HCWA ANTICIPATES FILING THE APPLICATION ON OR ABOUT MAY 11, 2023, IF KY PSC DOES NOT MAKE A DETERMINATION ON THE APPLICATION PRIOR THERETO. IF THE KENTUCKY PUBLIC SERVICE COMMISSION (KY PSC) APPROVES THE PROPOSED RATES OR AN ALTERNATIVE RATE APPROVED BY KY PSC, AFTER APPROPRIATE AMENDMENT OF PLEADINGS BY HCWA AND ACCEPTANCE AND ADVERTISEMENT OF APPROVED ALTERNATIVE RATE, THEN THE RATES WILL TAKE PLACE ON THE DATE THE ORDER AUTHORIZES, OR IF THE PROPOSED RATES ARE NOT RULED ON BY KY PSC, PRIOR TO NOVEMBER 11, 2023, THEN THE RATES WILL TAKE EFFECT ON NOVEMBER 12, 2023.

NO RATE CAN TAKE EFFECT UNTIL KY PSC APPROVES THE PROPOSED RATE OR RULES AN ALTERNATIVE RATE IS MANDATED BY KY PSC. 807 KAR 5:076(5)(i). KY PSC MAY ORDER APPROVAL OF RATES WHICH DIFFER FROM THE PROPOSED RATES REQUESTED BY HCWA AS STATED HEREIN.

A copy of the rate application of the Harrison County Water Association, Inc., stating and/or showing the proposed rate increase and a copy of the application and all attachments not deemed confidential by KY PSC filed in request by HCWA for approval of the rate increase to the Kentucky Public Service Commission, can be obtained by request to the office staff of the Harrison County Water Association, Inc. during normal business hours and days of operation, which is located at 433 Sea Biscuit Way, Cynthiana Kentucky, Monday-Friday, 8:00 a.m. to 4:30 p.m., or on its website (notice section) www.harrisoncountywaterky.nextbillpayonline.com. Additionally, a copy of the rate application can be examined at the Kentucky Public Service Commission's office, located at 211 Sower Boulevard, Frankfort, Kentucky, 40601, Monday-Friday, 8:00 a.m. to 4:30 p.m., or through their website at <http://psc.ky.gov>. (rate filings sections); 807 KAR 5:067, Section 5, (4)(e)(f).

Any customers may comment on the proposed rate increase filing to the Kentucky Public Service Commission, through its website (stated above) or by mail at the address below. Any customer may submit a timely written request for intervention to the Public Service commission, at P.O. Box 615, Frankfort, Kentucky, 40602, establishing the grounds for the request including the status and interest of the party. If the Kentucky Public Service Commission does not receive a written request for intervention within thirty (30) days of the initial publication, the commission may take final action on the alternative rate increase application.