Reasons for Application

Cunningham Water District ("the District") is requesting a 49.29 percent rate increase for its water customers to be implemented in two phases. The rate increase will generate a total of approximately \$22,292 in additional annual revenue. The District needs the rate increase for the following reasons:

- 1. To restore the District to a sound financial condition; and
- 2. 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.