Reasons for Application

Ohio County Water District ("the District") is requesting a 17.66 percent rate increase for all its water customers. The rate increase will generate approximately $817,646 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.