



MT. STERLING WATER & SEWER SYSTEM
POST OFFICE BOX 392 - 300 EAST MAIN STREET
MOUNT STERLING, KENTUCKY 40353-0392

June 22, 2023

Sherri Greene
Bath County Water District
P.O. Box 369
Salt Lick, Kentucky 40371

Re: Wholesale Rate Increase

Sherri,

The purpose of this letter is to advise you that our utility, Mt. Sterling Water & Sewer (Mt. Sterling), is requesting approval from the Kentucky Public Service Commission (PSC) to increase wholesale water rates by 8.0% charged to water districts/associations served by our utility. This proposed increase is based upon the Consumer Price Index maintained and reported by the U.S. Department of Labor, Bureau of Labor Statistics, and the DLG (Department for Local Government), as well as several upcoming water infrastructure projects slated for the 2023/2024 fiscal year. As a result, our water and sewer board of commissioners voted to increase water rates by a factor of 8.0% at the regular monthly board meeting held June 19, 2023.

Our utility has petitioned the Public Service Commission (PSC), to allow this increase to be passed along to our wholesale customers. A rate modification request has been filed, which includes a tariff sheet asking to increase our current wholesale water rate of \$3.40/1,000 gallons, up to \$3.67/1,000 gallons. We have requested that this increase be effective August 1, 2023. Should this increase be approved, it will be reflected in the September billing. This notice is being provided to comply with a PSC statute that requires affected wholesale customers to receive notice of any proposed rate increase a minimum of 30 days prior to the implementation of said increase. Included, please find a copy of notification of the proposed increase to our wholesale customers, notification to the PSC Executive Director, proposed tariff sheet, required PSC language, along with an excerpt from the Bureau of Labor Statistics web site and a copy of the letter from the DLG indicating the previously referenced inflationary increase.

In closing, thank you for both your understanding and cooperation regarding this matter. Should you have questions, comments, or concerns regarding this notice, please feel free to contact me at (859) 498-0166. A hard copy of this notice will follow in the mail. Thanks.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad Reed", written over a horizontal line.

Brad Reed
Manager
Mt. Sterling Water & Sewer