



September 19, 2024

Allen County Water District
P.O. Box 58
Scottsville, KY 42164

RE: Wholesale Rate Increase

Allen County Water District,

As you are well aware, operating expenses have increased significantly over the past few years. Specifically, combined chemical and power costs have surged by \$799,000 since 2019. Due to these rising costs, the Glasgow Water and Sewer Commission has determined that a wholesale water rate increase is necessary.

The current wholesale rate of \$1.95 per one thousand gallons has been in effect since 2009. GWC intends to increase the wholesale rate, effective November 30, 2024. The new wholesale rate will be \$2.01 per one thousand gallons, representing a 3.1% increase.

GWC is committed to transparency in determining the wholesale rate. Our retail customers have experienced five rate increases since the last wholesale rate adjustment. To support this decision, we contracted with Kentucky Rural Water Association to conduct a wholesale rate study. The study was performed using previously accepted Kentucky Public Service Commission (PSC) methods to calculate wholesale rates. GWC attributes little debt to its water operations, preferring to pay for system repairs and improvements with available funds.

Despite this proposed increase, our wholesale rate remains among the lowest in Kentucky.

The rate adjustment will enable Glasgow Water Company to continue providing high-quality, uninterrupted service to our wholesale customers. Enclosed, you will find a PSC tariff sheet with proposed rates, a copy of the wholesale rate increase resolution, and the Rate Study Report performed by Kentucky Rural Water Association. If you are regulated by PSC, we will also collaborate with Kentucky Rural Water to assist you in filing your Purchased Water Adjustment (PWA) to minimize any inconvenience. Please respond to this letter if you want KRWA to assist you with filing a PWA with the PSC.

Glasgow Water Company values our strong partnership with your utility and remains dedicated to meeting your water supply needs. Please don't hesitate to contact me if you have any questions.

Respectfully,

Joe Watson, General Manager