

## CUSTOMER NOTICE TO GARRARD COUNTY WATER ASSOCIATION, INC.

City of Lancaster ("Lancaster") is providing notice that it plans to file with the Public Service Commission, on or before July 1, 2025, to increase its wholesale water rate to Garrard County Water Association, Inc. ("Garrard County") effective for water service on and after August 1, 2025 and then on and after July 1 of the next two years. The proposed rates are as follows:

### *Effective August 1, 2025*

<b>WHOLESALE WATER RATES IN THOUSAND GALLONS</b>						
Previous		New		Difference		
First 325,000,000 Gallons Minimum Annual Purchase	\$ 2.63	First 325,000,000 Gallons Minimum Annual Purchase	\$ 3.0044	\$ 0.3744	14.24%	
All Over 325,000,000 Gallons Annual Purchase	\$ 1.48	All Over 325,000,000 Gallons Annual Purchase	\$ 1.7138	\$ 0.2338	15.80%	

### *Effective July 1, 2026*

<b>WHOLESALE WATER RATES IN THOUSAND GALLONS</b>						
Previous		New		Difference		
First 325,000,000 Gallons Minimum Annual Purchase	\$ 3.0044	First 325,000,000 Gallons Minimum Annual Purchase	\$ 3.3788	\$ 0.3744	12.46%	
All Over 325,000,000 Gallons Annual Purchase	\$ 1.7138	All Over 325,000,000 Gallons Annual Purchase	\$ 1.9476	\$ 0.2338	13.64%	

### *Effective July 1, 2027*

<b>WHOLESALE WATER RATES IN THOUSAND GALLONS</b>						
Previous		New		Difference		
First 325,000,000 Gallons Minimum Annual Purchase	\$ 3.3788	First 325,000,000 Gallons Minimum Annual Purchase	\$ 3.7531	\$ 0.3743	11.08%	
All Over 325,000,000 Gallons Annual Purchase	\$ 1.9476	All Over 325,000,000 Gallons Annual Purchase	\$ 2.1815	\$ 0.2339	12.01%	

Garrard County purchased 365,127 thousand gallons of water from Lancaster during the Test Year (FYE June 30, 2024). Its average monthly purchases were 30,427.25 thousand gallons of which 27,083.33 thousand gallons were at \$2.63 per thousand gallons and 3,343.92 thousand gallons were at \$1.48 per thousand gallons. Under the current rates, Garrard County's average monthly bill was \$76,178.16. Under the proposed rate effective August 1, 2025, Garrard County's average monthly bill will be \$87,099.97, for an increase of \$10,921.81 per month or 14.34%. Under the proposed rate effective July 1, 2026, Garrard County's average monthly bill will be \$98,021.78, for an increase of \$10,921.81 per month or 12.54%. Under the proposed rate effective July 1, 2027, Garrard County's average monthly bill will be \$108,940.21, for an increase of \$10,918.43 per month or 11.14%.

Water flowing through the meters before the effective date will be charged at the current rate while water flowing through the meters on and after the effective date will be charged at the new rate.

This filing may be examined at the office of Lancaster located at 308 Maple Avenue, Lancaster, Kentucky 40444. Please contact Mayor Michael Gaffney at (859) 792-22241 regarding any questions related to the proposed rate.

The filing may also be examined at the offices of the Public Service Commission located at 211 Sower Boulevard in Frankfort, Kentucky, Monday-Friday from 8:00 am - 4:30 pm or on the Commission website at <http://psc.ky.gov>.

Comments regarding this filing may be submitted by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602; or through its website at <http://psc.ky.gov>.

The new rates are the rates proposed by Lancaster in its filing, but the Public Service Commission may order rates that differ from the proposed rates contained in this Customer Notice.

Intervention by Garrard County or another person with a substantial interest may be requested by submitting a timely written request for intervention by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602. The request for intervention must establish the grounds for the request including the status and interest of the party.

If the Public Service Commission does not receive a written request prior to the effective date of the proposed rate, the Public Service Commission may take final action on the proposed rate.