



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

May 29, 2026

Billy Ray Fawns
Judy Water Association
P.O. Box 781
Mt. Sterling, Kentucky 40353

Re: Wholesale Rate Increase

Billy Ray,

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 8.5% 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 major water infrastructure projects slated for the 2026/2027 fiscal year. As a result, Mt. Sterling Water & Sewer Commission voted to increase water rates by a factor of 8.5%.

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 \$3.82/1,000 gallons, up to \$4.14/1,000 gallons. We have requested that this increase be effective July 1, 2026. Should this increase be approved, the increase will be reflected in the August 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.

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 or email at b.reed@mswatersewer.com

Sincerely,

A handwritten signature in black ink, appearing to read "Brad Reed".

Brad Reed
General Manager
Mt. Sterling Water & Sewer



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NOTICE

Mt. Sterling Water & Sewer is providing notice that it plans to file documentation with the Public Service Commission on or before June 1, 2026, to increase its wholesale water rate for water service provided on and after July 1, 2026. Proposed rates are as follows:

<u>Wholesale Customer</u>	<u>New Rate</u>	<u>Previous Rate</u>	<u>\$ Difference</u>	<u>% Difference</u>
Levee Road Water Association	\$4.14	\$3.82	\$0.32	8.5%
Reid Village Water District	\$4.14	\$3.82	\$0.32	8.5%
Montgomery County Water District	\$4.14	\$3.82	\$0.32	8.5%
Judy Water Association	\$4.14	\$3.82	\$0.32	8.5%
Bath County Water District	\$4.14	\$3.82	\$0.32	8.5%
Jeffersonville Water District	\$4.14	\$3.82	\$0.32	8.5%

Water flowing through the meter(s) before the effective date will be charged at the previous rate while water flowing through the meter(s) on and after the new effective date will be charged at the new rate(s).

This filing may be examined at the utility's office located at 300 East Main Street in Mt. Sterling, Kentucky; telephone: (859) 498-0166.

This 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 Public Service Commission's 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 proposed rates are the rates proposed by Mt. Sterling Water and Sewer, but the Public Service Commission may order rates that differ from these proposed rates.

Intervention 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 for intervention within thirty (30) days of the providing of this notice, the Public Service Commission may take final action on the filing.