

April 18, 2012

Mr. Jeff Derouen, Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

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PUBLIC SERVICE
COMMISSION

Re: Cunningham Water District ARF Rate Case No. 2011-00455

Dear Mr. Derouen,

The Public Service Commission issued its Staff Report Order on April 16, 2012 relative to the new monthly water rates proposed by Cunningham Water District. In response, Cunningham accepts the Staff's bottom line recommendations – although it does not agree with all of Staff's findings and conclusions – and does not wish to request an informal conference or a hearing in this matter. Therefore, we respectfully request that the Commission issue expeditiously a Final Order approving new water rates for Cunningham, and we would very much appreciate the Commission's issuance of said Order before our next billing cycle at the start of May.

We also wish to note that the Staff Report at page 6 disagrees with Cunningham compensating me \$100 per month for various duties which I perform for the District, although the Staff notes that Cunningham's Commissioners receive no salaries. To resolve this issue, I will immediately request that the Carlisle County Fiscal Court authorize the payment of \$100 per month in salaries for Cunningham's Board pursuant to KRS 74.020 (6). Please advise me if further information is needed on this issue.

Sincerely,



Dan Bowles, Chairman
Cunningham Water District