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AUG 15 1994

PUBLIC SERVICE COMMISSION

Mayor Earl Towery City Councilmen City of Fredonia Fredonia, Kentucky 42411

RE: New Water Rate

Gentlemen:

On May 1, 1979, the City of Eddyville was obliged to increase water rates in an attempt to overcome a recurring yearly deficit in the operation and maintenance of the system. The rate for our largest user (over 100,000 gallons) is now \$.80 per M.

The City Council, in the regular meeting held on July 2, 1979, voted to establish the Fredonia rate as \$80 per M for the first 2,800,000 gallons and \$1.50 per M for any excess effective July 1, 1979.

Please inform us when you can meet with us in order to formulate a new agreement.

Sincerely,

Malcolm Z. Tanner, Mayor

> PUBLIC SERVICE COMMISSION OF KENTUCKY **EFFECTIVE**

> > SEP 02 1994

PURSUANT TO 807 KAR 5:011, SECTION 9 (1)

BY: Andrew Mark

MZT/mhm