

Office of the Utility Director 1700 Greenup Ave PO BOX 1839 Ashland, KY 41101

February 28, 2024

James Blanton, Superintendent Big Sandy Water District 18211 KY-3 Catlettsburg, KY 41129

RE: Wholesale Water Rate Increase

On January 25, 2022, representatives from the City of Ashland presented to Big Sandy Water District documentation from a utility rate study conducted by HDR Inc. The detailed study was prepared in compliance with Public Service Commission guidelines and AWWA's M-1 "Principles of Water Rates, Fees and Charges Manual" which is an industry standard method that is often referenced in litigation on rate disputes. As was presented at the time, the study supports a rate increase for all city of Ashland water customers. Subject to Kentucky Public Service Commission approval the new rate for wholesale customers, \$3.96 per 1,000 gallons, will become effective for Big Sandy Water District on July 1, 2024.

Very Respectfully,

Mark Hall

City of Ashland

Director of Utilities