

August 31, 2011

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**PUBLIC SERVICE  
COMMISSION**

**RE: CASE # 2011-00358**

Enclosed is a copy of the notice received from Pineville Utility Commission regarding their rate increase to us.

I forgot to enclose it with my application for a rate adjustment

If anything else is needed please let me know .

Thanks,



Lana Pace, Finance Officer

Cawood Water District

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PUBLIC SERVICE  
COMMISSION

**PINEVILLE UTILITY COMMISSION**  
P O Box 277  
PINEVILLE, KY 40977  
PHONE: (606) 337-6611 FAX: (606) 337-6846

July 11, 2011

### **NOTICE**

The Pineville Utility Commission has filed a proposed water rate schedule which will increase by 23% effective September 1, 2011, 7% effective July 1, 2012, and 7% effective July 1, 2013 the rates which it currently charges to Cawood Water District for water service. Pineville Utility Commission currently charges \$1.75 per 1,000 gallons for water service. It proposes to charge Cawood Water District \$2.42 per 1,000 gallons effective September 1, 2011, \$2.59 per 1,000 gallons effective July 1, 2012, and \$2.77 per 1,000 gallons effective July 1, 2013.

The water purchase agreement between Cawood Water District and Pineville Utility Commission states that Cawood Water District will be subject to the same changes in water rates as are charged Pineville Utility Commission customers. Pineville Utility Commission customer rates were increased 7% per year beginning July 1, 2009 through July 1, 2013. Pineville Utility Commission did not seek increase water rates to Cawood Water District for the 2008-2010 increases that its customers experienced; however, costs now required that Cawood Water District's rate schedule be brought up to date with other Pineville Utility Commission customers.

The rates contained in this Notice are the rates proposed by Pineville Utility Commission. The Public Service Commission, however, may order rates to be charged that differ from the proposed rates contained in this Notice.

Any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this Notice of the proposed rate changes request to intervene. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate application and any other filings made by Pineville Utility Commission by contacting Bill Bunch, Manager, Pineville Utility Commission, PO Box 277, Pineville, KY, 40977, phone 606-337-6611.

Any person may examine Pineville Utility Commission's rate application and any other filings at its main office at 151 N Pine Street, Pineville, Kentucky or at the Public Service Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky.

**PINEVILLE UTILITY COMMISSION**  
P.O. BOX 277  
PINEVILLE, KENTUCKY 40977  
PHONE (606) 337-6611  
FAX (606) 337-6846

July 18, 2011

Public Service Commission  
PO Box 615  
Frankfort, KY 40602

**Re: *New Water Rate Schedule  
Cawood Water District***

Dear Public Service Commission:

The Pineville Utility Commission hereby files its new water rate schedule for water sales to the Cawood Water District to become effective September 1, 2011. Notice has been provided to the utility. A copy of the notice and proof of delivery is enclosed.

The proposed rates and increases are as follows:

Current Rate	\$1.97 per 1,000 gallons	
Effective September 1, 2011	\$2.42 per 1,000 gallons (23%)	- .45 ¢
Effective July 1, 2012	\$2.59 per 1,000 gallons (7%)	- .17
Effective July 1, 2013	\$2.77 per 1,000 gallons (7%)	- .17

The water purchase agreement states that Cawood Water District will be subject to the same water rate increases as Pineville Utility Commission resident customers. The Pineville City Council ordained a 7% annual water rate increase beginning July 1, 2009 through 2013. The initial increases were not passed on to Cawood Water District, but costs now require that the rate schedule be brought equal with the Pineville customer water rate schedule.

Please contact me if you have questions or concerns.

Sincerely,



Bill Bunch  
Manager

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KENTUCKY

2.42  
1.97  
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.45

2.42

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PUBLIC SERVICE  
COMMISSION

**PINEVILLE UTILITY COMMISSION**  
P.O. Box 277  
PINEVILLE, KENTUCKY 40977  
PHONE (606) 337-6611  
FAX (606) 337-6846

July 11, 2011

Walter Burkhardt, Chairman  
Cawood Water District  
PO Box 429  
Cawood, KY 40815

**Re: Proposed Water Rate Increase**

Dear Walter:

Enclosed please find official Notice of Pineville Utility Commission's intent to raise the water rates it charges to its resale customers, including Cawood Water District.

The proposed rates and increases are as follows:

Current Rate	\$1.97 per 1,000 gallons
Effective September 1, 2011	\$2.42 per 1,000 gallons (23%)
Effective July 1, 2012	\$2.59 per 1,000 gallons (7%)
Effective July 1, 2013	\$2.77 per 1,000 gallons (7%)

The water purchase agreement states that Cawood Water District will be subject to the same water rate increases as Pineville Utility Commission resident customers. The Pineville City Council ordained a 7% annual water rate increase beginning July 1, 2009 through 2013. The initial increases were not passed on to Cawood Water District, but costs now require that the rate schedule be brought equal with Pineville customers. I have also enclosed a copy of the Pineville rate schedule that verifies the equality of the increases across Pineville's entire customer base.

A filing is being made with the Public Service Commission for approval of the proposed rate schedule.

Please contact me if you have questions or concerns.

Sincerely,



Bill Bunch  
Manager

**Pineville Utility Commission  
Current and Proposed Water and Sewer Rate Schedules**

	7/1/2008 Rate per 1000 gallons	10/1/2009 Rate per 1000 gallons	7/1/2010 Rate per 1000 gallons	7/1/2011 Rate per 1000 gallons	7/1/2012 Rate per 1000 gallons	7/1/2013 Rate per 1000 gallons
<b>Water Rates</b>						
<b>City</b>						
First 1,000 gallons	9.55	10.22	10.94	11.71	12.53	13.41
Next 9,000 gallons	5.05	5.40	5.78	6.18	6.61	7.07
Next 20,000 gallons	4.91	5.25	5.62	6.01	6.43	6.88
Over 30,000 gallons	4.47	4.78	5.11	5.47	5.85	6.26
<b>County</b>						
First 1,000 gallons	14.92	15.96	17.08	18.28	19.56	20.93
Next 9,000 gallons	5.55	5.94	6.36	6.81	7.29	7.80
Next 20,000 gallons	5.10	5.46	5.84	6.25	6.69	7.16
Over 30,000 gallons	4.80	5.14	5.50	5.89	6.30	6.74
Wholesale (1)	1.97	2.11	2.26	2.42	2.59	2.77
Average City Bill (4,000 gallons)	24.70	26.42	28.28	30.25	32.36	34.62
Increase		1.72	1.86	1.97	2.11	2.26
Cumulative Increase		1.72	3.58	5.55	7.66	9.92
Average County Bill (4,000 gallons)	31.57	33.78	36.16	38.71	41.43	44.33
Increase		2.21	2.38	2.55	2.72	2.90
Cumulative Increase		2.21	4.59	7.14	9.86	12.76
Annual Rate Increase Percentage		7%	7%	7%	7%	7%

	7/1/2008 Rate per 1000 gallons	10/1/2009 Rate per 1000 gallons	7/1/2010 Rate per 1000 gallons	7/1/2011 Rate per 1000 gallons	7/1/2012 Rate per 1000 gallons	7/1/2013 Rate per 1000 gallons
<b>Sewer Rates</b>						
<b>City</b>						
First 1,000 gallons	5.48	5.86	6.27	6.71	7.18	7.68
Next 9,000 gallons	3.90	4.17	4.46	4.77	5.10	5.46
Next 20,000 gallons	3.69	3.95	4.23	4.53	4.85	5.19
Over 30,000 gallons	3.48	3.72	3.98	4.26	4.56	4.88
<b>County</b>						
First 1,000 gallons	5.48	5.86	6.27	6.71	7.18	7.68
Next 9,000 gallons	3.90	4.17	4.46	4.77	5.10	5.46
Next 20,000 gallons	3.69	3.95	4.23	4.53	4.85	5.19
Over 30,000 gallons	3.48	3.72	3.98	4.26	4.56	4.88
Average Sewer Bill (4,000 gallons)	17.18	18.37	19.65	21.02	22.48	24.06
Increase		1.19	1.27	1.36	1.46	1.56
Cumulative Increase		1.19	2.46	3.82	5.28	6.84
Annual Rate Increase Percentage		7%	7%	7%	7%	7%

Notes: (1) Wholesale water rates charged to Public Service Commission regulated utilities are subject to PSC approval.

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Walter Burkhardt  
Cawood Water Dist.  
P.O. Box 429  
Cawood, Ky. 40815

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature *Pete Dean*  Agent  Addressee

B. Received by (Printed Name)  
*Pete Dean*

C. Date of Delivery  
*7-13-11*

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type

- Certified Mail  Express Mail
- Registered  Return Receipt for Merchandise
- Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

2. *7007 2560 0000 5518 5793*

PS Form 3811, February 2004

Domestic Return Receipt

102-15-02-M-1-40

*9880 202*