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CHARLES S. MUSSON
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RECEIVED

JUN 19 2015

**PUBLIC SERVICE
COMMISSION**

June 18, 2015

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

Re: Southern Water and Sewer District **PSC Case No. 2015-00192**

Dear Mr. Derouen:

Pursuant to 807 KAR 5:069, Section 3(3)(b), enclosed please find the Affidavit of Publication and Tearsheet relating to the Notice of Proposed Rate Change of the Southern Water and Sewer District.

If you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays



By
W. Randall Jones

WRJ:jl
Enclosures

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JUN 19 2015

PUBLIC SERVICE
COMMISSION

Civitas MEDIA

Floyd County Times

P.O. Box 390 • Prestonsburg, KY 41653 • (606) 886-8506 • Fax: (606) 769-0859

eosborne@civitasmedia.com

AFFIDAVIT

I, Evelena Osborne, of the Floyd County Times newspaper, published at Prestonsburg, Kentucky, and having the largest circulation of any newspaper in Floyd County, Kentucky do hereby certify that the Advertisement of Notice of Proposed Rate Change

Was published on the following dates:

Date: 5-29-15 Page: B5 Column: 4-6

Date: _____ Page: _____ Column: _____

Date: _____ Page: _____ Column: _____

Date: _____ Page: _____ Column: _____

Signature Evelena Osborne

Subscribed and Sworn To Before Me by Evelena Osborne

This 29th Day of May, 2015

Notary Public

Virginia Jones

My Commission Expires the 25th Day of October, 2017
ID 498045

NOTICE OF PROPOSED RATE CHANGE

In accordance with the requirements of the Kentucky Public Service Commission ("PSC") as set out in 807 KAR 5:069, Section 3, notice is hereby given to the customers of the Southern Water and Sewer District (the "District") of a change in water rates for users of the District's water system. The changes in water rates are required by the U.S. Department of Agriculture, acting through Rural Development ("RD") in connection with a loan by RD to the District in the principal amount of \$1,775,000 to be evidenced by the issuance by the District of its waterworks revenue bonds in such amount, which RD has agreed to purchase provided the District meets certain conditions of RD, including revising the water rates as set forth below:

Current Monthly Rates

<u>All Meters</u>	<u>Monthly Rate</u>
First 2,000 gallons	\$23.48 minimum bill
Over 2,000 gallons	8.13 per 1,000 gallons

Proposed Monthly Water Rates

<u>All Meters</u>	<u>New</u>	<u>Dollar Change</u>	<u>Percentage</u>
	<u>Monthly Rate</u>		<u>Change</u>
First 2,000 gallons	\$24.60 minimum bill	\$1.12	4.77%
Over 2,000 gallons	8.40 per 1,000 gallons	0.27	3.32

The proposed monthly water rates shall be effective for water sold after the date of the final approving Order of the PSC, which Order is expected to be issued no later than 30 days of the filing of the Application.

The amount of average usage for all customers in the calendar year 2012 was 3,313 gallons per month thus generating an average monthly billing based on current rates of \$34.15. The proposed monthly rates will increase the average monthly billing to \$35.63 for an impact of \$1.48 or 4.33%.

The Application for approval of the rate change has been filed with the PSC and may be examined during normal business hours at the following locations: (i) Southern Water and Sewer District office, 245 Kentucky Route 680, McDowell, Kentucky 41647; (ii) PSC, 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., E.T.; and (iii) via the PSC website at <http://psc.ky.gov>. Comments regarding the Application may be submitted to the PSC via its website or by mail to PSC, P.O. Box 615, Frankfort, Kentucky 40602.

The proposed rates are required under the terms of an agreement between the District and RD and KRS 278.023 does not grant the PSC any discretionary authority to modify or reject any portion of the agreement between the District and RD, or to defer the issuance of all necessary orders to implement the terms of the agreement.

The RD loan proceeds will be used in conjunction with a \$1,417,000 RD grant to finance the cost of the replacement of the main transmission water main and appurtenances from the water treatment plant in Allen, Kentucky to Martin, Kentucky. A second segment of this project involves the construction of improvements and upgrades to the water treatment plant in Allen, Kentucky. Signed, Paula Johnson, Chairperson, Southern Water and Sewer District.