

## NOTICE

Notice is hereby given that Butler County Water System, Inc., 1118 South Main Street, Suite 1, Morgantown, KY, plans to file an application with the Public Service Commission, 211 Sower Boulevard, Frankfort, KY, pursuant to KRS278.023 on January 29<sup>th</sup>, 2018 for the purpose of changing its water rates, effective June 1, 2018, as follows:

| <u>Monthly Rates</u>                     | <u>Prior Rate</u> | <u>New Rate</u> | <u>Increase</u> | <u>% Increase</u> |
|------------------------------------------|-------------------|-----------------|-----------------|-------------------|
| First 2,000 gallons (Minimum Bill)       | \$18.54           | \$20.38         | \$1.84          | 9.92              |
| Next 4,000 gallons (per 1,000 gallons)   | 5.37              | 5.90            | .53             | 9.87              |
| Next 44,000 gallons (per 1,000 gallons)  | 4.77              | 5.24            | .47             | 9.85              |
| Next 50,000 gallons (per 1,000 gallons)  | 4.10              | 4.51            | .41             | 10.00             |
| Over 100,000 gallons (per 1,000 gallons) | 3.42              | 3.76            | .34             | 9.94              |

The above Minimum Bill applies to the 5/8 x 3/4 inch meters only. The Minimum Bills below will apply to all other meter sizes.

| <u>Monthly Rates</u>        | <u>Prior Rate</u> | <u>New Rate</u> | <u>Increase</u> | <u>% Increase</u> |
|-----------------------------|-------------------|-----------------|-----------------|-------------------|
| 1" First 5,000 Gallons      | \$35.18           | \$38.68         | \$3.50          | 9.95              |
| 1-1/2" First 10,000 Gallons | 62.86             | 69.11           | 6.25            | 9.94              |
| 2" First 16,000 Gallons     | 92.26             | 101.44          | 9.18            | 9.95              |
| 3" First 25,000 Gallons     | 149.77            | 164.67          | 14.90           | 9.95              |
| 4" First 30,000 Gallons     | 207.19            | 227.81          | 20.62           | 9.95              |
| 6" First 60,000 Gallons     | 361.90            | 397.91          | 36.01           | 9.95              |
| 8" First 80,000 Gallons     | 459.04            | 504.71          | 45.67           | 9.95              |

These rates apply to all customer classifications and are subject to a 10 percent penalty if paid after the due date.

The monthly bill for an average residential customer using 4,000 gallons of water each month will increase \$2.90 (or 9.90%) from \$29.28 to \$32.18. The monthly bill for an average commercial customer using 10,000 gallons of water each month will increase \$5.84 (or 9.88%) from \$59.10 to \$64.94. A person may examine this application at the System's Office located at 1118 South Main Street, Suite 1, Morgantown, KY. A person may also examine this application at the PSC located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m. or on the PSC website at <http://psc.ky.gov>; telephone: (502) 564-3940. The proposed rates are required under the terms of an agreement between Butler County Water System and the United States Department of Agriculture. KRS 278.023 does not grant the Public Service Commission any discretionary authority to modify or reject any portion of the agreement between United States Department of Agriculture and Butler County Water System or to defer the issuance of all necessary orders to implement the terms of that agreement. Comments regarding this application filing may be submitted to the PSC through its Web site or by mail to PO Box 615, Frankfort, KY 40602.

The existing General Service rates have not been increased since 2014. The Water System is planning to construct five (5) water line extensions to serve new customers, install an Automatic Meter Reading system, and install a leak detection system. Water Revenue Bonds for up to \$1,422,000 are planned to be sold to the United States Department of Agriculture. The proposed rates will produce sufficient revenue to meet the debt repayment schedule and operating expenses.

Butler County Water System, Inc.