

## NOTICE

On or about September 23, 2021, McCreary County Water District will file applications with the Kentucky Public Service Commission for the purpose of adjusting its monthly rates for water and sewer service. McCreary County Water District is making these applications to comply with the Kentucky Public Service Commission’s Order of June 26, 2020 in Case No. 2020-00151 and Order of February 22, 2021 in Case No. 2021-00021. Under the methodology the Public Service Commission uses to establish rates for utility service, McCreary County Water District should increase its rates for water service approximately 8.70 percent and its rates for sewer service approximately 49.13 percent. Because of recent increases in water rates and expected increased usage in the water and wastewater services, McCreary County Water District is proposing smaller increases to be phased in over one or more years.

McCreary County Water District’s applications will be filed pursuant to the procedures set forth in 807 KAR 5:076. Under those procedures, the proposed rates may not be placed into effect until the Kentucky Public Service Commission has issued an order approving the proposed rates or six (6) months from the date of the filing of the application, whichever occurs first.

McCreary County Water District proposes to adjust its rates for monthly water service in two phases. Phase 1 rates will become effective upon the Kentucky Public Service Commission’s approval. Phase 2 rates will become effective one year later. The proposed rates for water service are as follows:

<b>PHASE 1 (Water)</b>				
<b>Residential and Non-Residential Meter</b>				
	<b>Present Rate</b>	<b>Proposed Rate</b>	<b>Change (\$)</b>	<b>Change (%)</b>
First 2,000 Gallons	\$ 22.50 Minimum Bill	\$ 22.99 Minimum Bill	\$0.49	2.18
Over 2,000 Gallons	0.00925 Per Gallon	0.00945 Per Gallon	\$0.00020	2.16
<b>Flat Rate Users</b>				
	<b>Present Rate</b>	<b>Proposed Rate</b>	<b>Change (\$)</b>	<b>Change (%)</b>
Whitley County Water District	\$0.00729 Per Gallon	\$0.00745 Per Gallon	\$0.00016	2.19
Oneida, Tennessee	\$0.00729 Per Gallon	\$0.00745 Per Gallon	\$0.00016	2.19
Fibrotex USA	\$0.00729 Per Gallon	\$0.00745 Per Gallon	\$0.00016	2.19
Pine Knot Job Center	\$0.00729 Per Gallon	\$0.00745 Per Gallon	\$0.00016	2.19
McCreary County Housing Authority	\$0.00729 Per Gallon	\$0.00745 Per Gallon	\$0.00016	2.19
<b>Cumberland Falls State Park</b>				
	<b>Present Rate</b>	<b>Proposed Rate</b>	<b>Change (\$)</b>	<b>Change (%)</b>
First 600,000 Gallons	\$ 4,374.00 Minimum	\$ 4,469.13 Minimum	\$95.13	2.17
Over 600,000 Gallons	\$0.00729 Per Gallon	\$0.00745 Per Gallon	\$0.00016	2.19
<b>U.S. Penitentiary -McCreary</b>				
	<b>Present Rate</b>	<b>Proposed Rate</b>	<b>Change (\$)</b>	<b>Change (%)</b>
First 1,950,000 Gallons	\$14,215.50 Minimum	\$14,524.69 Minimum	\$309.19	2.18
Over 1,950,000 Gallons	\$0.00729 Per Gallon	\$0.00745 Per Gallon	\$0.00016	2.19

<b>PHASE 2 (Water)</b>				
<b>Residential and Non-Residential Meter</b>				
	<b>Present Rate</b>	<b>Proposed Rate</b>	<b>Change (\$)</b>	<b>Change (%)</b>
First 2,000 Gallons	\$ 22.50 Minimum Bill	\$ 23.48 Minimum Bill	\$0.98	2.18
Over 2,000 Gallons	0.00925 Per Gallon	0.00965 Per Gallon	\$0.00040	4.32
<b>Flat Rate Users</b>				
	<b>Present Rate</b>	<b>Proposed Rate</b>	<b>Change (\$)</b>	<b>Change (%)</b>
Whitley County Water District	\$0.00729 Per Gallon	\$0.00761 Per Gallon	\$0.00032	4.39
Oneida, Tennessee	\$0.00729 Per Gallon	\$0.00761 Per Gallon	\$0.00032	4.39
Fibrotex USA	\$0.00729 Per Gallon	\$0.00761 Per Gallon	\$0.00032	4.39
Pine Knot Job Center	\$0.00729 Per Gallon	\$0.00761 Per Gallon	\$0.00032	4.39
McCreary County Housing Authority	\$0.00729 Per Gallon	\$0.00761 Per Gallon	\$0.00032	4.39
<b>Cumberland Falls State Park</b>				
	<b>Present Rate</b>	<b>Proposed Rate</b>	<b>Change (\$)</b>	<b>Change (%)</b>
First 600,000 Gallons	\$ 4,374.00 Minimum	\$ 4,564.27 Minimum	\$190.27	4.35
Over 600,000 Gallons	\$0.00729 Per Gallon	\$0.00761 Per Gallon	\$0.00032	4.39
<b>U.S. Penitentiary -McCreary</b>				
	<b>Present Rate</b>	<b>Proposed Rate</b>	<b>Change (\$)</b>	<b>Change (%)</b>
First 1,950,000 Gallons	\$14,215.50 Minimum	\$14,833.87 Minimum	\$668.37	4.70
Next 7,000 Gallons	\$0.00729 Per Gallon	\$0.00761 Per Gallon	\$0.00032	4.39

If the Public Service Commission approves the proposed water rate, the increase in a customer's monthly bill will be:

<b>Customer</b>	<b>Average Usage (gals)</b>	<b>Monthly Bill at Current Rate</b>	<b>Monthly Bill at Phase 1 Rate</b>	<b>Monthly Bill Increase (%)</b>	<b>Monthly Bill at Phase 2 Rate</b>	<b>Monthly Bill Increase (%)</b>
Residential/Nonresidential	3,975	\$ 40.77	\$ 41.65	2.16	\$ 42.54	2.14
U.S. Penitentiary -McCreary	5,853,467	\$42,671.77	\$43,605.52	2.19	\$44,539.25	2.14
Cumberland Falls State Park	789,708	\$ 5,756.91	\$ 5,882.45	2.18	\$ 6,007.95	2.13
Whitley County Water District	844,158	\$ 6,153.91	\$ 6,288.98	2.19	\$ 6,424.04	2.15
Oneida, Tennessee	0	\$ 0.00	\$ 0.00	0.00	\$ 0.00	0.00
Fibrotex USA	474,842	\$ 3,461.60	\$ 3,537.57	2.19	\$ 3,613.55	2.15
Pine Knot Job Center	360,708	\$ 2,629.56	\$ 2,687.27	2.19	\$ 2,744.99	2.15
McCreary County Housing Authority	237,484	\$ 1,731.26	\$ 1,769.26	2.19	\$ 1,807.25	2.15

McCreary County Water District proposes to adjust its rates for monthly sewer service in three phases. Phase 1 rates will become effective upon the Kentucky Public Service Commission's approval. Phase 2 rates will take effect one year later and continue in effect for one year. Phase 3 rates will then take effect.

The proposed rates for sewer service are as follows:

<b>PHASE 1 (Sewer)</b>				
<b>All Users Except U.S. Penitentiary-McCreary</b>				
	<b>Present Rate</b>	<b>Proposed Rate</b>	<b>Change (\$)</b>	<b>Change (%)</b>
First 2,000 Gallons	\$24.19 Minimum Bill	\$ 25.51 Minimum Bill	\$1.32	5.46
Next 18,000 Gallons	0.00844 Per Gallon	0.00890 Per Gallon	\$0.00046	5.45
Over 20,000 Gallons	0.00750 Per Gallon	0.00791 Per Gallon	\$0.00041	5.47
<b>U.S. Penitentiary-McCreary</b>				
	<b>Present Rate</b>	<b>Proposed Rate</b>	<b>Change (\$)</b>	<b>Change (%)</b>
First 1,300,000 Gallons	\$9,703.13 Minimum Bill	10,232.73 Minimum Bill	\$529.60	5.46
Over 1,300,000 Gallons	0.00844 Per Gallon	0.00890 Per Gallon	\$0.00046	5.45
<b>PHASE 2 (Sewer)</b>				
<b>All Users Except U.S. Penitentiary-McCreary</b>				
	<b>Present Rate</b>	<b>Proposed Rate</b>	<b>Change (\$)</b>	<b>Change (%)</b>
First 2,000 Gallons	\$24.19 Minimum Bill	\$ 26.83 Minimum Bill	\$2.64	10.91
Next 18,000 Gallons	0.00844 Per Gallon	0.00936 Per Gallon	\$0.00092	10.90
Over 20,000 Gallons	0.00750 Per Gallon	0.00832 Per Gallon	\$0.00082	10.93
<b>U.S. Penitentiary-McCreary</b>				
	<b>Present Rate</b>	<b>Proposed Rate</b>	<b>Change (\$)</b>	<b>Change (%)</b>
First 1,300,000 Gallons	\$9,703.13 Minimum Bill	\$10,762.71 Minimum Bill	\$1,059.58	10.92
Over 1,300,000 Gallons	0.00844 Per Gallon	0.00936 Per Gallon	\$0.00092	10.90
<b>PHASE 3 (Sewer)</b>				
<b>All Users Except U.S. Penitentiary-McCreary</b>				
	<b>Present Rate</b>	<b>Proposed Rate</b>	<b>Change (\$)</b>	<b>Change (%)</b>
First 2,000 Gallons	\$24.19 Minimum Bill	\$28.15 Minimum Bill	\$3.96	16.37
Next 18,000 Gallons	0.00844 Per Gallon	0.00982 Per Gallon	\$0.00138	16.35
Over 20,000 Gallons	0.00750 Per Gallon	0.00873 Per Gallon	\$0.00123	16.40
<b>U.S. Penitentiary-McCreary</b>				
	<b>Present Rate</b>	<b>Proposed Rate</b>	<b>Change (\$)</b>	<b>Change (%)</b>
First 1,300,000 Gallons	\$9,703.13 Minimum Bill	\$11,291.92 Minimum Bill	\$1,588.62	16.37
Over 1,300,000 Gallons	0.00844 Per Gallon	0.00982 Per Gallon	0.00138	16.35

If the Public Service Commission approves the proposed sewer rates, the Phase 1 monthly bill for a customer who uses 4,000 gallons of water will increase from \$41.07 to \$43.31, or 5.45 percent. The Phase 2 monthly bill for that customer will increase from \$43.31 to \$45.55 or 5.17 percent. When the Phase 3 rates take effect, that customer's bill will increase from \$45.55 to \$47.79 or 4.92 percent. The Phase 1 monthly bill for U.S. Penitentiary-McCreary, which produces an average of 5,605,575 gallons of wastewater monthly, will increase from \$46,042.18 to \$48,552.35, or 5.45 percent. Its monthly bill will increase to \$51,062.89 or 5.17 percent when Phase 2 rates take effect and to \$53,572.67 or 4.92 percent when Phase 3 rates become effective.

The Kentucky Public Service Commission has established Cases No. 2021-00300 (Sewer) and No. 2021-00301 (Water) to review McCreary County Water District's applications. Any person may examine these applications at McCreary County Water District's office, 456 N. Highway 27, Whitley City, Kentucky 42653 or at the Kentucky Public Service Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's Web site at <https://psc.ky.gov/Case/ViewCaseFilings/2021-300> (Sewer) or <https://psc.ky.gov/Case/ViewCaseFilings/2021-301> (Water).

Comments regarding either application may be submitted to the Kentucky Public Service Commission through the Commission's Web Site at <http://psc.ky.gov> or by e-mail to [psc.info@ky.gov](mailto:psc.info@ky.gov) or by mail to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

The rates contained in this notice are the rates proposed by McCreary County Water District. However, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates. Such action may result in rates for consumers other than the rates in this notice.

A person may submit a timely written request for intervention to the Kentucky Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the person's status and interest. If the Kentucky Public Service Commission does not receive a written request for intervention within thirty (30) days of the initial publication of notice, it may take final action on the proposed rates.

McCreary County Water District  
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