

# WATER SERVICE CORPORATION OF KENTUCKY

## NEW MONTHLY WATER CHARGES

### Rate Change Information

In July of 2018, Water Service Corporation of Kentucky (WSCK) asked the Public Service Commission (PSC) for approximately \$852,000 of new additional revenue, which would be used to pay for increases in operating and maintenance costs, as well as, infrastructure improvements throughout the State of Kentucky. Water rates were last adjusted in May of 2016, and those rates were based on costs from a test year ended June 30, 2015.

Assuming the average residential customer uses 3,696 gallons of water a month in Middlesboro, and 3,088 gallons of water a month in Clinton, the original proposed rate increase would have increased customers' monthly bills to \$33.07 and \$29.68 respectively. Customers may use more or less water than the average and are only billed for the gallonage they use, at approved rates. While there is a fixed customer charge billed monthly, there is no minimum gallonage charge.

On February 11, 2019 the PSC issued their order approving a rate increase, and the final base rates approved by the PSC will be **effective on February 11, 2019.**

Assuming the average residential customer uses 3,696 gallons of water a month in Middlesboro, and 3,088 gallons of water a month in Clinton, **the PSC's final order will increase a Middlesboro residential water customer's monthly bill to \$29.62 and a Clinton residential water customer's monthly bill to \$26.63.** Customers may use more or less water than the average and are only billed for the gallonage they use, at approved rates. While there is a fixed customer charge billed monthly, there is no minimum gallonage charge.

Lower rates were made possible, in part, by the Tax Cut and Jobs Act which became effective January 1, 2018 and reduced the federal corporate income tax rates from 35% to 21%. A volumetric surcredit of .133 per 1000 gallons will apply to all gallonage billed from February 12, 2019 to February 11, 2020 for revenue collected at the 35% corporate tax rate from January 1, 2018 to February 11, 2019.

Also on February 11, 2019, the Public Service Commission approved WSCK to collect \$3.33 per month from customers within the Ambleside subdivision of Middlesboro. This monthly charge is required to continue the operation and maintenance of the hydrants in the Ambleside subdivision.

Rate approved by the PSC and full tariff can be located on our website here:

<https://www.uiwater.com/kentucky/regulations/tariff-rates>.

A handwritten signature in blue ink, appearing to read "Steve Lutz", is written over a horizontal line.

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On February 11, 2019 the Public Service Commission issued their final order, in Docket No. 2018-00208, authorizing Water Service Corporation of Kentucky to increase its rates and charges as of February 11, 2019. Increases are provided below:

### WSCK Rates - Docket 2018-00208

#### Middlesboro

Description	Meter Size	Assumed Usage	Customer Charge	Per 1,000 Gal. Rate	TCJA Per 1,000 Gal. Rate	Average Bill
Prior Average Residential Bill	5/8" & 3/4"	3,696	\$ 10.00	\$ 4.06	\$ -	\$ 25.00
New Average Residential Bill	5/8" & 3/4"	3,696	\$ 11.45	\$ 5.05	\$ (0.13)	\$ 29.62
Average Bill Increase						\$ 4.62
% Increase						18.50%

#### Clinton

Description	Meter Size	Assumed Usage	Customer Charge	Per 1,000 Gal. Rate	TCJA Per 1,000 Gal. Rate	Average Bill
Prior Average Residential Bill	5/8" & 3/4"	3,088	\$ 10.00	\$ 4.36	\$ -	\$ 23.47
New Average Residential Bill	5/8" & 3/4"	3,088	\$ 11.45	\$ 5.05	\$ (0.13)	\$ 26.63
Average Bill Increase						\$ 3.16
% Increase						13.48%

By calling WSCK's customer service number (844-310-5556) a live representative of WSCK can explain how the proposed increase might impact your individual bill. Customers can find tips on water conservation at the following link on our website:

<https://www.uiwater.com/kentucky/education/water-conservation>

