

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LEDBETTER WATER) CASE NO.
DISTRICT FOR THE APPROVAL OF AN) 2008-00498
INCREASE IN RATES FOR WATER SERVICE)

ORDER

On December 3, 2008, Ledbetter Water District (“Ledbetter”) submitted its application requesting the Commission to approve its proposed increase in water rates. The proposed water rates will generate annual revenues of \$455,999, an increase of \$71,024, or 18.5 percent, over the test-period revenues from water sales of \$383,920.

Commission Staff performed a limited financial review of Ledbetter’s operations and, on March 17, 2009, issued a report containing its findings and recommendations regarding the proposed rates. In its report, Staff determined that Ledbetter’s test-period operations would support a revenue requirement of \$455,999 and would allow Ledbetter to meet its debt service payments and operating expenses and provide for equity growth. Therefore, Staff recommended that the rates proposed by Ledbetter be approved.

All parties were directed to file written comments upon Staff’s findings and recommendations or to request a conference or hearing no later than March 30, 2009. As of that date, no parties had submitted comments or objections or requested a hearing.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report, except as noted in Finding Paragraph 3, are supported by the evidence of record and are reasonable.

2. Ledbetter's proposed water rates will produce annual revenues from sales of \$455,999.

3. In its report, Commission Staff incorrectly stated the rate that should be charged for the first 25,000 gallons of water purchased. To produce revenues of \$455,999 from test period sales, Ledbetter should charge a rate of \$5.42 per 1,000 gallons for the first 25,000 gallons of water that a customer purchases monthly.

IT IS THEREFORE ORDERED that:

1. The recommendations and findings contained in the Staff Report, except as noted in Finding Paragraph 3, are adopted and incorporated by reference into this Order as if fully set out herein.

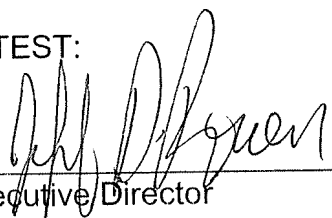
2. Ledbetter's proposed water rates, which are set forth in the Appendix to this Order, are approved for service rendered by Ledbetter on and after the date of this Order.

3. Within 30 days of the date of this Order, Ledbetter shall file with the Commission its revised tariff setting out the rates approved herein.

By the Commission

ENTERED
MAY 19 2009 *AL*
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00498 DATED **MAY 19 2009**

The following rates are prescribed for the customers in the area served by Ledbetter Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RATES AND CHARGES

All Customers

Customer Charge	\$6.59 monthly rate
First 25,000 gallons	5.42 per 1,000 gallons
Over 25,000 gallons	3.59 per 1,000 gallons

NONRECURRING CHARGES

Returned Check Charge	\$35.00
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Phillip Dae
Chairman
Ledbetter Water District
P. O. Box 123
Ledbetter, KY 42058-0123

Honorable David Edward Spenard
Assistant Attorney General
Office of the Attorney General Utility & Rate
1024 Capital Center Drive
Suite 200
Frankfort, KY 40601-8204