



Ernie Fletcher  
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Environmental and Public  
Protection Cabinet

Christopher L. Lilly  
Commissioner  
Department of Public Protection

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

Mark David Goss  
Chairman

Teresa J. Hill  
Vice Chairman

Gregory Coker  
Commissioner

March 7, 2006

Brenda Murphy  
Levee Road Water Association, Inc.  
4681 Levee Road  
Mt. Sterling, KY 40353

RECEIVED

MAR 24 2006

PUBLIC SERVICE  
COMMISSION

RE: Case No 2006-00088  
Filing Deficiencies

The Commission staff has reviewed your application in the above case. This filing is rejected for the reasons set forth below. These items are either required to be filed with the application or to be referenced in the application if they are already on file in another case.

1. Filing deficiencies pursuant to 807 KAR 5:001:

807 KAR 5:001: Section 3.3. Copy of supplier's notice of the changed rate and the effective date.

The statutory time period in which the Commission must process this case will not commence until the above-mentioned information is filed with the Commission. If your filing contains a proposed effective date, the rejection of your filing for reasons of deficiencies voids that proposed effective date. When you file the required information to correct the deficiencies, you may refile your proposed tariff with a new proposed effective date that is at least 30 days from the date you file the required information. You are requested to file 10 copies of this information within 15 days of this letter. If you need further assistance, please contact Jessamyn Thompson at 502/564-3940 ext. 278.

Sincerely,

Mike Burford  
Director Division of Filings

MB/bt

**Levee Road Water Association**

Beth O'Donnell  
Executive Director  
KY Public Service Commission  
PO Box 615  
Frankfort, KY 40602

RE: Formal Application for a Purchased Water Adjustment

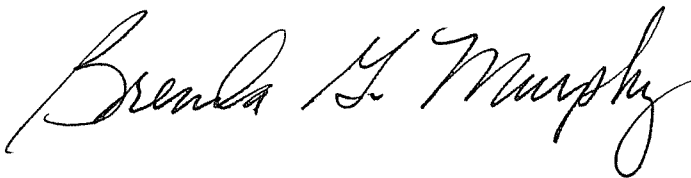
Dear Ms. O'Donnell:

Enclosed is an original and 10 copies of an application for a purchased water rate adjustment for Levee Road Water Association. The adjustment is necessary to recover an increase in the cost of water attributable to our supplier's new wholesale rates.

The district will publish the enclosed public notice of the requested rate revisions in the local newspaper. In accordance with PSC rules and regulations, the notice will be published before the new bills are issued and will be published one time. A copy of the newspaper notice and an affidavit verifying publication will be forwarded to you upon publication.

The District has previously filed income statements and balance sheets with the Public Service Commission. These income statements and balance sheets are currently on file with the Commission.

Sincerely,



enclosure

*→ additional page needed*

**MT. STERLING WATER & SEWER SYSTEM**

POST OFFICE BOX 382 - 300 EAST MAIN STREET  
MOUNT STERLING, KENTUCKY 40353-0392

RECEIVED

MAR 24 2006

PUBLIC SERVICE  
COMMISSION

June 22, 2005

TO: ALL MT. STERLING WATER AND SEWER SYSTEM CUSTOMERS:

Bath County Water  
Judy Water Association  
Levee Water Association  
Montgomery County Water District #1  
Reid Village Water District

FROM: DAVE PEARCE, MT STERLING WATER AND SEWER SYSTEM  
COMMISSION

RE: NEW WHOLESALE WATER RATE

The purpose of this memo is to advise each of the wholesale customers purchasing treated water from Mt. Sterling Water & Sewer System that there will be a rate increase effective October 1, 2005. The new wholesale rate will be:

**\$1.88 per thousand gallons**

Please note that this is a flat rate. Your current rate has averaged \$1.73 per thousand gallons. The increase will average about 8%. The last increase was in 1998. The increase is necessitated by the fact that our operating expenses through the last four years have increased over 30% with revenues increasing less than 8%. Your cooperation and understanding is greatly appreciated. Feel free to call if there are questions. I will be filing the rate increase with the Public Service Commission within the next several work days. Hopefully this advance notice will give each entity time to study and adjust as necessary.

Respectfully,



Dave Pearce  
General Manager  
Mt. Sterling Water & Sewer System

c.c. P.S.C.