

LEDBETTER WATER DISTRICT
1483 U. S. 60 West
P. O. Box 123
Ledbetter, Kentucky 42058

Phone: 270-898-3236
Fax: 270-898-3496
ledbetterwaterdi@bellsouth.net

RECEIVED

JUN 11 2019

PUBLIC SERVICE
COMMISSION

June 3, 2019

Gwen R. Pinson
Executive Director
Public Service Commission
211 Sower Blvd.
PO Box 615
Frankfort, KY 40602-0615

RE: Purchased Water Adjustment

Dear Ms. Pinson:

Ledbetter Water District hereby requests approval for a Purchased Water Adjustment. Pursuant to Case number 2018-00414, Crittenden-Livingston Water District has raised the rate that it charges us for water. The old rate was \$2.58 per thousand gallons, and the new rate is \$2.83. Attached are the application form for the requested PWA along with supporting documentation. Also attached is the notice from Crittenden-Livingston regarding the rate increase.

Ledbetter Water District will publish notice of the rate increase, according to PSC regulation, one time prior to rendering bills at the new rate. An affidavit from the publisher will be provided to the PSC when available.

During the twelve month period from May 1, 2018 to April 30, 2019 Ledbetter Water District purchased 35,832,900 gallons of water from Crittenden-Livingston Water District. During the same period Ledbetter also produced water. Water sales to customers during the period were 60,419,432 gallons.

The PWA factor calculates to 0.148. In order to recover the full cost of the purchased water increase the PWA factor was rounded to 0.15. If you need more information please contact us.

Sincerely,



Billy Downs
District Manager

PURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND WATER ASSOCIATIONS
(807 KAR 5:068)

RECEIVED

JUN 11 2019

PUBLIC SERVICE
COMMISSION

Name of Utility	Ledbetter Water District	
Date	May 23, 2019	
Address	PO Box 123	
City, State, Zip	Ledbetter, Kentucky	42058
Telephone Number	270-898-3236	
Email Address	ledbetterwaterdi@bellsouth.net	

1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

Supplier(s)	Base Rate	Changed Rate
Crittenden-Livingston Water District	\$2.58 / 1000 gal.	\$2.83 / 1000 gal.

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit A

2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From	May 2018	through	April 2019
	(month and year)		(month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

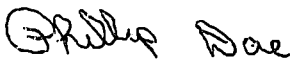
Supplier(s)	Gallons Purchased during 12 month period
Crittenden-Livingston Water District	35,832,900
TOTAL PURCHASES	
4. Total gallons sold for the 12 month period	60,419,432
5. Increased water cost	\$8,958.23
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation is attached as Exhibit B	
6. Purchased water adjustment factor	\$0.15
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice.	
7. A schedule listing the current and proposed rates is attached as Exhibit C	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit D	
9. Proposed effective date	May 23, 2019
	
Signature of Utility Officer	
Chairman	
Title	

EXHIBIT A

A copy of the customer notice follows. It does not show the effective date of the supplier's rate increase. On page 5 of the Public Commission Order, Case No. 2018-00414, dated May 23, 2019, item 3 states The Phase 1 rates set forth in Appendix A to this Order are approved for service rendered by Crittenden-Livingston District on and after the date of this Order.

EXHIBIT A
WHOLESALE CUSTOMER NOTICE

Notice is hereby given that the Crittenden-Livingston County Water District expects to file an application on or about December 12, 2018 with the Kentucky Public Service Commission seeking approval of a proposed adjustment to its water rates. The proposed Phase 1 rates shall not become effective until the Public Service Commission has issued an order approving these rates.

MONTHLY WATER RATES

Phase 1 Wholesale Rate for All Wholesale Customers

<u>No. of Gallons per Month:</u>	<u>Charge per 1,000 Gals.</u>		<u>Dollar</u>	<u>Percent</u>
	<u>Current</u>	<u>Phase 1</u>	<u>Increase</u>	<u>Increase</u>
For all Water Purchased	\$2.58	\$2.84	0.26	10.1%

Phase 2 Wholesale Rate for All Wholesale Customers

<u>No. of Gallons per Month:</u>	<u>Charge per 1,000 Gals.</u>		<u>Dollar</u>	<u>Percent</u>
	<u>Phase 1</u>	<u>Phase 2</u>	<u>Increase</u>	<u>Increase</u>
For all Water Purchased	\$2.84	\$3.09	0.25	8.8%

Phase 3 Wholesale Rate for All Wholesale Customers

<u>No. of Gallons per Month:</u>	<u>Charge per 1,000 Gals.</u>		<u>Dollar</u>	<u>Percent</u>
	<u>Phase 2</u>	<u>Phase 3</u>	<u>Increase</u>	<u>Increase</u>
For all Water Purchased	\$3.09	\$3.34	0.25	8.1%

The proposed Phase 2 Rates will be implemented one year after the effective date of Phase 1. The proposed Phase 3 rates will be implemented one year after the effective date of Phase 2.

If the Public Service Commission approves the proposed water rates, then the Phase 1 monthly bill for a wholesale customer will increase from \$2,580 to \$2,840 for each 1.0 million gallons purchased. This is an increase of \$260 or 10.1%. The Phase 2 monthly bill for a wholesale customer will increase from \$2,840 to \$3,090 for each million gallons purchased. This is an increase of \$250 or 8.8%. The Phase 3 monthly bill for a wholesale customer will increase from \$3,090 to \$3,340 for each million gallons purchased. This is an increase of \$250 or 8.1%.

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

Crittenden-Livingston County Water District has available for inspection at its office the application which it submitted to the Public Service Commission. A person may examine this application at Crittenden-Livingston County Water District's office located at 620 East Main St., Salem, KY 42078. You may contact the office at 270-988-2680.

A person may also examine the application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's website at <http://psc.ky.gov>. Comments regarding the application may be submitted to the Public Service Commission through its website or by mail to Public Service Commission, PO Box 615, Frankfort, Kentucky, 40602. You may contact the Public Service Commission at 502-564-3940.

The wholesale customers or any other party may submit a timely written request for intervention to the Public Service Commission, PO Box 615, Frankfort, KY, 40602, establishing the grounds for the request including the status and interest of the party. If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the initial publication of this notice, the Public Service Commission may take final action on the application.

EXHIBIT B
PWA FACTOR

Increased cost: 35,832.900 thousand gallons X \$2.58 = \$92,448.88
35,832.900 thousand gallons X \$2.83 = \$101,407.11
 $\$101,407.11 - \$92,448.88 = \underline{\$8,958.23}$

Purchased Water Adjustment Factor:

\$8,958.23 divided by 60,419.432 thousand gallons sold = \$0.148

Rounded to \$0.15

EXHIBIT C
RATE COMPARISON SCHEDULE

	Ledbetter Water District	
<u>ALL METER SIZES</u>	<u>CURRENT RATES</u>	<u>PROPOSED RATE</u>
Customer Charge	\$7.74 Monthly Rate	\$7.74 Monthly Rate
First 25,000 gallons gallons	\$6.68 per 1,000 gallons	\$6.83 per 1,000
Over 25,000 gallons gallons	\$4.52 per 1,000 gallons	\$4.67 per 1,000

EXHIBIT D

Minutes

Ledbetter Water District

May 23, 2019 5:30 P.M.

THE SIX HUNDRED EIGHTY-EIGHTH MEETING OF THE LEDBETTER WATER DISTRICT WAS HELD AT THE OFFICE IN LEDBETTER KENTUCKY MAY 23, 2019 AT 5:30 P.M.

MEETING WAS HELD ON PURSUANT TO NOTICE AND CONSENT BY SAID DISTRICT, PHILLIP DAE, CHAIRMAN; TERRY TEITLOFF, VICE CHAIRMAN; JAMES SCHADE, SECRETARY-TREASURER; ARNIE PUCKETT, COMMISSIONER; BILL GILLAHAN, COMMISSIONER.

Those Present: Phillip Dae, Arnie Puckett, Bill Gillahan, Terry Teitloff, Paula Malone, Billy Downs, Alan Fox, Ryan Morrow.

Guest: Bill Lipham and his wife, Betty Myrick, Michelle Ladd, Danny Shelby, Willie Lofton, Ricky McIntyre, Janice Riley, Terry Bartlett, Sharon Griggs, Nicholas Frederick.

The meeting was called to order by Phillip Dae at 5:30 P.M.

Betty Myrick is recording this meeting.

Terry can't stay for the whole meeting tonight, so we are going to jump around on the agenda a little bit. We would like to touch on the issues that need a motion or vote first.

Terry made a motion to accept the minutes and financials as written from last month. Bill seconds the motion. All were in favor, none opposed. Motion carries.

Myrick Tap:

Phillip and Terry said that BJ Myrick has water lines to a trailer on their property that they connected to their residence lines, which is a double tap and against PSC regulations. Phillip asked if it was water and sewer. Yes, it is. Betty said that they realize that they are going to have to pay for a tap, but they are not sure they are going to keep the trailer there. If they do, they will pay for the tap on. She also stated that the inspector came and talked to her husband. Billy asked if the utilities were connected yet, she replied that they were not.

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Phillip asked her if they were agreeing to pay the tap and she answered yes, if they decide to keep the trailer there. When they connect it, they will pay for it. They want to do their part; it is better to do it that way anyway. Terry told her to tell B.J thank you.

C/L Rate case:

C/L has applied for the increase, which comes out to 0.25 each, the first two years and 0.26 the third year. The staff has approved it but the PSC has not, yet. We will have to file for a Purchased Water Adjustment and be ready because it will happen quickly. Billy has calculated our increase to be 0.15 per thousand gallons.

Terry made a motion for Billy to go ahead and get paperwork started and in motion to get this started for the adjustment. Arnie seconds the motion. None were opposed, motion carries.

Ledbetter Residents:

Betty Myrick said she wanted to ask about the loans. KIA is interest free, right? Are we behind on payments? Yes, it is, and we are behind \$67,000.00. We are making \$8,000.00 payments a month to try to catch it up. Who do we make the check to? KIA. KACO is the one we pay interest payments each month. She asked if we were behind on that one. No, we are current on this loan.

She asked who the Water District's lawyer was. David Boswell or Van Simms. Betty said she wanted to say, the public is not upset about the rates, they are upset about the debt. Would the Board consider filing Chapter 11? She has done a lot of research and we can if we decide to.

Arnie said that he had an idea. KIA is interest- free, we can continue to pay that one. KACO is the loan we pay interest on, and a refinanced loan. LWD Board could request the Fiscal Court to pay that loan off, and we repay them at no interest deferring the payments until 2026-2027 when the loan is paid off. He said they probably won't go for interest free, but maybe 2%, which is better than we are getting now. They may say no.