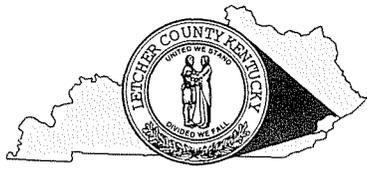


2008-00340



*Letcher County Water and Sewer District*

P.O. BOX 827 • WHITESBURG, KENTUCKY 41858

September 19, 2008

Stephanie Stumbo, Executive Director  
Ky. Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

RECEIVED  
SEP 22 2008  
PUBLIC SERVICE  
COMMISSION

Dear Ms. Stumbo;

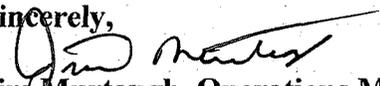
Please accept this letter as a response to questions asked by the PSC during a recent teleconference held on September 18, 2008.

Regarding our requested Tap Fee increase, we wish to clarify the increase would only apply to individuals who do not allow the installation of an empty meter barrel on their property, at no cost, during project construction. The actual number of individuals this would apply to is minimal. As an example, we recently completed a water line project in the Little Cowan area. Only one resident did not wish to have the empty barrel installed. Therefore, the new Tap Fee would apply to this individual.

Once a project is complete and someone requests the installation of a meter barrel, we have to contract with a local plumber and have them install the barrel. As an example, earlier this week we contracted with the local plumber to install a barrel at a residence at a cost to the District of approximately \$1200. The resident only had to pay us the \$350 Tap Fee, with the remainder of the cost being paid through our general fund.

In no way are we trying to punish folks who do not allow the installation of a meter barrel during construction. We go door to door during a project encouraging folks to allow the installation of the barrel, reminding them they are not required to ever connect to the water, but the barrel would always be there should they choose to hook to the county water system.

Should you have any further questions, please don't hesitate to call myself or Jackie at 606-633-8550. We thank you for your support and consideration in this matter.

Sincerely,  
  
Jim Murtaugh, Operations Manager/Interim Director