



Letcher County Water and Sewer District
P.O. BOX 827 • WHITESBURG, KENTUCKY 41858

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PUBLIC SERVICE
COMMISSION

November 20, 2009

Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

Re: Rate change request to intervene and investigate

Dear Public Service Commission:

Pursuant to the resolution of the Letcher County Water & Sewer District and in response to the City of Whitesburg's recent notice of intent to increase rates by 21.7% (from \$2.90 per 1000 gallons to \$3.53 per 1000gallons), effective December 3, 2009, we would like to request that the PSC intervene on our behalf and investigate the appropriateness of this rate change. The Letcher County Water & Sewer District is a public utility that purchases the vast majority of its water wholesale from the City of Whitesburg. Such a substantial increase in wholesale prices would require that we increase the rates we charge our retail customers. For grounds the District does not feel that the City has provided a demonstrable increase in the costs of performance, pursuant to section 5 of our water purchase contract, and such costs shall not include increased capitalization of their system. Also, it is my understanding that the City is not proposing a rate increase for their municipal customers; therefore the wholesale customers are bearing the entire burden of this substantial rate increase. Thank you for your consideration in this matter and should you have any questions do not hesitate to contact me.

Sincerely,



Phillip Back, Chairperson