

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

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

RECEIVED

JUL 02 2019

PUBLIC SERVICE
COMMISSION

June 28, 2019

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

RE: Purchased Water Adjustment-Application Deficiency

Dear Ms. Pinson:

Ledbetter Water District hereby submits documents in response to a filing deficiency in PWA rate Case No. 2019-00196, as noted in a letter from the Public Service Commission dated June 25, 2019.

The letter of deficiency noted that meeting minutes should be signed. Attached is Exhibit 1, a signed copy of the minutes in which the Ledbetter board of commissioners authorized the PWA application for an increase of \$0.15 per thousand gallons. This increase matches the increase requested in the PWA application on Form 1. The board approval of the PWA is documented on page two of the minutes under the heading "C/L Rate case". The minutes state that "We will have to file for a Purchased Water Adjustment and be ready because it will happen quickly. Billy (Billy Downs, system Superintendent) has calculated our increase to be 0.15 per thousand gallons. Terry (Terry Teitloff, commissioner) made a motion for Billy to go ahead and get paperwork started and in motion to get this started for the adjustment (the PWA). Arnie (Arnie Puckett, commissioner) seconds the motion. None were opposed, motion carries."

The letter of deficiency noted that the rates in the meeting minutes do not match those in the wholesale notice. The wholesale notice that was included in Ledbetter's PWA application was the notice that Ledbetter received from Crittenden Livingston Water District, the wholesale supplier. The rates in that initial notice do not match the rates that the PSC approved for Crittenden Livingston. Attached is Exhibit 2, a copy of a notice that Crittenden Livingston sent to Ledbetter after its rates were approved. This notice accurately reflects the rates noted on form 1 of Ledbetter's PWA.

Sincerely,



Billy Downs
District Manager

Exhibit 1

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PUBLIC SERVICE
COMMISSION

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.

Minutes-Page 2

May 23, 2019

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:

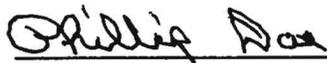
Betty Myrick said she wanted to ask about the loans. KIA is interest free, right? Are we behind on payments? Yes, it is, and we are behind \$67,000.00. We are making \$8,000.00 payments a month to try to catch it up. Who do we make the check to? KIA. KACO is the one we pay interest payments each month. 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.

May 23, 2019

WE THE UNDERSIGNED BEING THE COMMISSIONERS OF THE LEDBETTER WATER DISTRICT, ORGANIZED AND EXISTING UNDER AND BY THE VIRTUES OF THE LAWS OF THE STATE OF KENTUCKY, DO HEREBY SEVERLY WAIVER ANY AND ALL NOTICE OF THE COMMISSIONERS OF SAID DISTRICT, AND RATIFY, APPROVE AND CONFIRM ANY AND ALL BUSINESS TRANSACTED AT SUCH MEETING AND HEREIN SET FORTH.



PHILLIP DAE, CHAIRMAN

TERRY TEITLOFF, VICE-CHAIRMAN



JAMES SCHADE, SECRETARY-TREASURER



ARNIE PUCKETT, COMMISSIONER

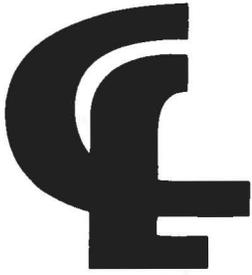


BILL GILLAHAN, COMMISSIONER



PAULA MALONE, OFFICE MANAGER

Exhibit 2



CRITTENDEN-LIVINGSTON County Water District

620 East Main • Salem, Kentucky 42078

Phone (270) 988-2680 • Fax (270) 988-4892

To The Ledbetter Water District:

Here are the new wholesale rates as of 90 days upon signed receipt of this notice.

Phase 1 wholesale rate \$2.83 see appendix A

Phase 2 wholesale rate \$3.08 see appendix B after 12 months

Phase 3 wholesale rate \$3.34 see appendix C after 12 months

Thank you,

Ronnie Slayden
Superintendent

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2018-00414 DATED **MAY 23 2019**

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

Monthly Water Rates

Phase 1

5/8-3/4-Inch Meter

First	1,000	Gallons	\$20.72	Minimum bill
Next	9,000	Gallons	11.77	per 1,000 Gallons
Next	10,000	Gallons	10.09	per 1,000 Gallons
Over	20,000	Gallons	7.95	per 1,000 Gallons

1-Inch Meter

First	5,000	Gallons	\$67.80	Minimum bill
Next	5,000	Gallons	11.77	per 1,000 Gallons
Next	10,000	Gallons	10.09	per 1,000 Gallons
Over	20,000	Gallons	7.95	per 1,000 Gallons

2-Inch Meter

First	15,000	Gallons	\$177.10	Minimum bill
Next	5,000	Gallons	10.09	per 1,000 Gallons
Over	20,000	Gallons	7.95	per 1,000 Gallons

Bulk Sales 7.95 per 1,000 Gallons

Wholesale Rate 2.83 per 1,000 Gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2018-00414 DATED **MAY 23 2019**

The following rates and charges are prescribed for the customers in the area served by Crittenden-Livingston County Water District for service rendered on and after the first anniversary of the date of this Order. All other rates and charges not specifically mentioned in this Appendix shall remain the same as those in effect under the authority of this Commission prior to the effective date of this Order.

Monthly Water Rates

Phase 2

5/8-3/4-Inch Meter

First	1,000	Gallons	\$22.70	Minimum bill
Next	9,000	Gallons	12.89	per 1,000 Gallons
Next	10,000	Gallons	11.05	per 1,000 Gallons
Over	20,000	Gallons	8.71	per 1,000 Gallons

1-Inch Meter

First	5,000	Gallons	\$74.26	Minimum bill
Next	5,000	Gallons	12.89	per 1,000 Gallons
Next	10,000	Gallons	11.05	per 1,000 Gallons
Over	20,000	Gallons	8.71	per 1,000 Gallons

2-Inch Meter

First	15,000	Gallons	\$193.96	Minimum bill
Next	5,000	Gallons	11.05	per 1,000 Gallons
Over	20,000	Gallons	8.71	per 1,000 Gallons

Bulk Sales 8.73 per 1,000 Gallons

Wholesale Rate 3.08 per 1,000 Gallons

APPENDIX C

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2018-00414 DATED **MAY 23 2019**

The following rates and charges are prescribed for the customers in the area served by Crittenden-Livingston County Water District for service rendered on and after the second anniversary of the date of this Order. All other rates and charges not specifically mentioned in this Appendix shall remain the same as those in effect under the authority of this Commission prior to the effective date of this Order.

Monthly Water Rates

Phase 3

5/8-3/4-Inch Meter

First	1,000	Gallons	\$24.76	Minimum bill
Next	9,000	Gallons	14.08	per 1,000 Gallons
Next	10,000	Gallons	12.06	per 1,000 Gallons
Over	20,000	Gallons	9.52	per 1,000 Gallons

1-Inch Meter

First	5,000	Gallons	\$81.08	Minimum bill
Next	5,000	Gallons	14.08	per 1,000 Gallons
Next	10,000	Gallons	12.06	per 1,000 Gallons
Over	20,000	Gallons	9.52	per 1,000 Gallons

2-Inch Meter

First	15,000	Gallons	\$211.78	Minimum bill
Next	5,000	Gallons	12.006	per 1,000 Gallons
Over	20,000	Gallons	9.52	per 1,000 Gallons

Bulk Sales 9.52 per 1,000 Gallons

Wholesale Rate 3.34 per 1,000 Gallons