

July 15, 2024

Ms. Linda C. Bridwell, P.E.
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, Ky 40602-0615

Re: Case No. 2023-00387
Powel's Valley Water District
Response to Staff Report of July 2, 2024

Dear Ms. Bridwell:

Powell's Valley Water District (District) submits the following comments concerning the Commission Staff Report issued July 2, 2024:

The District appreciates the Commission and Commission Staff's professionalism in processing this application.

The District is a small rural water system with limited resources. The District has three field employees to monitor and maintain 9 water booster pumps, 7 water tanks, an 80,000 gallon per day wastewater plant, services for roughly 2,500 water customers and 100 wastewater collection customers. The District board has traditionally been very cautious with expenses to avoid the need for rate increases. The District Board has approved only one cost of living raise for employees since 2011. The District does not agree with the Commission policy of reducing health care premiums of employees for rate making purposes. The District contends that providing health care benefits to its employees is essential to retaining and attracting dependable, qualified staff.

The District has been working to reduce line loss. We want to provide our customers with high quality water at a fair price. We know that reducing our line loss is an important part of providing service to our customers. We will continue to work hard for our customers even with the limited resources we have. With the District Board's approval we are hiring additional staff to assist with locating and repairing line leaks.

The Commission Staff's proposed reduction to non-recurring charges will encourage customers to more frequently request District Staff to provide these services, further straining the limited resources of the District and potentially requiring additional Staff to be hired. The District does not agree with Staff's removal of certain labor expenses from Non-Recurring Charges however, the District does not wish to formally contest that adjustment in this case. The District's failure to object to Staff's findings and recommendations concerning the reduction of certain Non-Recurring Charges shall not be construed to be a waiver of the District's right to contest a similar finding or recommendation in a future rate proceeding. The District expressly reserves its right to do so.

While reviewing the Staff Report the District found that information in regards to the Meter Test Charge had not been included. The testing of a customer's meter is an infrequent occurrence for the District. The District employs Definitive Testing Services, an outside contractor to perform meter tests. Attached is an invoice and updated Meter Test Charge cost justification sheet.

The District concurs with the remainder of the findings presented in the Staff Report. The District waives its right to request an informal conference or hearing in this case.

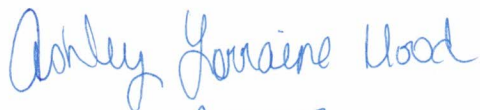
Sincerely,



Randy Ledford

Manager

Enclosure



KYNP 44903

February 17, 2026