

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF NEBO WATER)
DISTRICT OF AN AMENDED WATER PURCHASE)
CONTRACT WITH CITY OF MADISONVILLE)

CASE NO.
2023-00418

CITY OF MADISONVILLE'S COMPLIANCE
WITH ORDER OF DECEMBER 22, 2023

City of Madisonville submits the following response to the information requested in Appendix C of the Commission's Order of December 22, 2023:

1. Explain whether Rural Development has approved the change to the rate formula contained in the 1977 Contract. If so, provide documentation from Rural Development of the approval. If not, explain whether Nebo District and Madisonville plan on seeking Rural Development's approval of the rate formula.

RESPONSE: We have Rural Development approval for the formula change dated Dec 26, 2024. The USDA Rural Development, who received programs transferred from the US Farmers Home Administration in 2006 sent us the attached email (Exhibit A) as documentation of this amended formula approval.

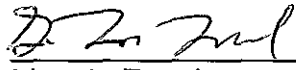
2. Explain whether Madisonville will, as it has done numerous times in the past, continue to seek Commission approval of any future change to the wholesale rate charged to Nebo District by filing with the Commission a copy of the notice provided to

Nebo District of any change to the wholesale rate, supporting documentation for the new rate, and a revised tariff page.

RESPONSE: Yes. The expectation is that the next time the city needs to raise its rates (anticipated 2027 and annually thereafter) that it will notify the PSC as well as all its customers.

VERIFICATION

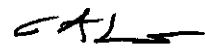
I, Lincoln Fugal, verify, state and affirm that the above response is true and correct to the best of my knowledge and belief formed after a reasonable inquiry.



Lincoln Fugal

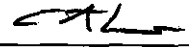
STATE OF KENTUCKY)
)
COUNTY OF HOPKINS)

I hereby certify that the foregoing was signed, acknowledged and sworn to before me by Lincoln Fugal on this 7th day of February, 2024.



Notary Public, State at Large, KY
My commission Expires: 10-1-27
Notary ID No: KYNP09144

FRYMIRE, EVANS, PEYTON,
TEAGUE & CARTWRIGHT, PLLC
1 South Main Street, 3rd Floor
P. O. Box 695
Madisonville, KY 42431
(270)821-6165
jevans@feptc.com

By: 

Joe A. Evans III
Attorney for the City of Madisonville

Lincoln Fugal

From: McCay, Kimberly - RD, KY <kimberly.mccay@usda.gov>
Sent: Tuesday, January 2, 2024 11:03 AM
To: Lincoln Fugal
Cc: Kim Blue; Keith Browning; Melton, Melissa - RD, KY
Subject: RE: [External Email]City of Madisonville Kentucky, "Wholesale water sales contract formula review"

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hi Lincoln,

That would be my office and under my authority. I have provided the Loan Specialist, Melissa Melton, who has been assigned Nebo Water District our concurrence for the formula change. I provided this concurrence statement to Melissa on 12/26/2023 to forward to Nebo Water District. I have included her in this response. If something more formal is needed, please let me know.

Rural Development concurs in the formula change for Water Purchase Contract based on the limited information that we have at this time. Information was provided in attachment 20231222_PSC_Order.pdf (specifically pdf page 15) which references Case Number 2023-00418.

Thanks,
Kimberly McCay
Community Programs Director
Kentucky State Office, Rural Development
United States Department of Agriculture
771 Corporate Drive, Suite 200 | Lexington, KY 40503
Phone: 859.224.7673 | Fax: 855.661.8335 | Cell: 502.424.6262
www.rd.usda.gov

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From: Lincoln Fugal <LFugal@madisonvillegov.com>
Sent: Tuesday, January 2, 2024 11:39 AM
To: McCay, Kimberly - RD, KY <kimberly.mccay@usda.gov>
Cc: Kim Blue <KBlue@madisonvillegov.com>; Keith Browning <KBrowning@madisonvillegov.com>
Subject: [External Email]City of Madisonville Kentucky, "Wholesale water sales contract formula review"

You don't often get email from lfugal@madisonvillegov.com. [Learn why this is important](#)

External Email

If this message comes from an **unexpected sender** or references a **vague/unexpected topic**:

Use caution before clicking links or opening attachments.
Please send any concerns or suspicious messages to: Spam.Abuse@usda.gov

Director McCay,

Does your office or someone else in USDA Rural Development review and approve municipal water sales rate formulas? The City of Madisonville, KY has negotiated an amended contract with the Nebo Water district for a new rate and rate calculation method for Madisonville to supply Nebo with water. The 1977 contract requires us to get approval from the "Famers Home Administration" which no longer exists but which transferred many of its programs to USDA Rural Development. This was caught by the Kentucky public service commission PSC. Let me know who I need to talk to, to get this resolved.

Respectfully,

S. Lincoln Fugal P.E.
City Engineer
Madisonville, KY

O: (270) 824-2120

"I'm a success today because I had a friend who believed in me and I didn't have the heart to let him down."
— **Abraham Lincoln.**

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