

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF LEDBETTER WATER)
DISTRICT AND WILLIAM P. DAE, CHAIRMAN;)
TERRY TEITLOFF, VICE-CHAIRMAN; ARNIE)
PUCKETT, COMMISSIONER; BILL GILLHAN,) CASE NO. 2008-00484
COMMISSIONER, INDIVIDUALLY AND AS)
OFFICERS OF THE UTILITY, FOR ALLEGED)
VIOLATIONS OF KRS 278.015 AND 278.160)

ORDER

Ledbetter Water District ("Ledbetter District"), a water district that owns and operates facilities that distribute water to approximately 1,221 customers in Livingston County, Kentucky,¹ is a utility subject to Commission jurisdiction.²

A five-member board of commissioners controls and manages the affairs of Ledbetter District.³ William Phillip Dae, Kevin Bailey, Terry Teitloff, Arnie Puckett, and Bill Gillahan have served as members of Ledbetter District's Board of Commissioners since on or after March 31, 2004.

KRS 278.015 provides that, when a wholesale supplier selling water to a water district increases its rates, the water district may increase its rates commensurate with the wholesale supplier without the prior approval of the Commission. It further provides

¹ *Annual Report of Ledbetter Water District to the Kentucky Public Service Commission for the Calendar Year Ending December 31, 2007* ("Annual Report") at 5 and 27.

² KRS 278.010(3)(d); KRS 278.015.

³ KRS 74.020(1); *Annual Report* at 6.

that, within 20 days after any such increase in rates, the water district must file its revised tariffs with the Commission, “together with a copy of the notice from its wholesale supplier showing the increase in the rate charged to the utility, and a statement of the volume of purchased water used or sewage treated to calculate the increase in rates.”

KRS 278.160(1) provides that “[n]o utility shall charge, demand, collect, or receive from any person a greater or less compensation for any service rendered or to be rendered than that prescribed in its filed schedules”

On November 21, 2008, Ledbetter District advised the Commission in writing⁴ that it had increased its general rates for service in 2004 as a result of an increase in its wholesale supplier’s wholesale rate. In its letter, a copy of which is appended hereto, Ledbetter District stated that, after receiving assistance from Commission Staff in the preparation of an application for a purchased water adjustment, it submitted its application to the Commission together with an application for an adjustment in certain nonrecurring charges. In its letter, Ledbetter District also provided evidence of publication of notice of the purchased water adjustment application.

Ledbetter District requests that the Commission “review all files and records in this case to determine whether the District was deficient in filing the application for the Purchased Water Adjustment and, if so, to determine the extent of the deficiency.”⁵ It further requests that the Commission “rule on the legitimacy of the Purchased Water

⁴ Letter from Billy Downs, Manager, Ledbetter District, to Stephanie L. Stumbo, Executive Director, Kentucky Public Service Commission (Nov. 17, 2008).

⁵ *Id.* at 2.

Adjustment that was enacted, and the resulting rates that the District has charged subsequent to the enactment of the PWA [purchased water adjustment] in 2004.”

Commission records indicate that the Commission received the water district's application for adjustment of certain nonrecurring charges on March 26, 2004 and approved the proposed revisions.⁶ They do not, however, indicate that the Commission received any application for a purchased water adjustment or adjusted Ledbetter District's general rates for water service. The general rates that Ledbetter District placed into effect in 2004 and is currently charging differ from those that the Commission had previously approved and are currently on file with the Commission.⁷

Based upon the above, the Commission finds the existence of *prima facie* evidence that Ledbetter District has failed to comply with KRS 278.015 and KRS 278.160 and that the members of Ledbetter District's Board of Commissioners have aided and abetted this failure. The Commission finds that a proceeding should be established to investigate Ledbetter District's actions and the lawfulness of the rates that Ledbetter District has assessed since on or about March 31, 2004.

⁶ Case No. 2004-00107, *The Application of Ledbetter Water District to Increase Certain Non-Recurring Charges* (Ky. PSC April 23, 2004). This application involved revisions to its meter connection charge and leak adjustment rate.

⁷ Ledbetter District's last general rate adjustment occurred in 2003. See Case No. 2003-00237, *Application of Ledbetter Water District for an Adjustment of Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities* (Ky. PSC Sep. 16, 2003). In addition to the adjustments to its meter connection charge and leak adjustment rate, which the Commission approved in Case No. 2004-00107, the Commission approved a second adjustment of Ledbetter District's meter connection charges in 2007. See Case No. 2004-00107, *The Application of Ledbetter Water District to Increase Certain Non-Recurring Charges* (Ky. PSC April 23, 2004); Case No. 2007-00324, *Application of Ledbetter Water District for Authority to Revise Certain Non-Recurring Charges* (Ky. PSC Sep. 6, 2007).

The Commission, on its own motion, HEREBY ORDERS that:

1. Ledbetter District shall appear before the Commission on March 18, 2009 at 1:30 p.m., Eastern Daylight Time, in Hearing Room 2 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, for the purposes of presenting evidence concerning the alleged violations of KRS 278.015 and KRS 278.160 and showing cause why it should not be subject to the penalties prescribed in KRS 278.990 for these alleged violations.

2. William Phillip Dae, Kevin Bailey, Terry Teitloff, Arnie Puckett, and Bill Gillahan shall also appear before the Commission on March 18, 2009 at 1:30 p.m., Eastern Daylight Time, in Hearing Room 2 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, for the purposes of presenting evidence concerning the allegations that they aided and abetted Ledbetter District's violation of KRS 278.015 and KRS 278.160 and showing cause why each should not be subject to the penalties prescribed in KRS 278.990 for the alleged violations.

3. A telephone conference shall be held on March 4, 2009 at 10:00 a.m., Eastern Standard Time, with Ledbetter District and its officers and Commission Staff to consider any matter that would aid in the handling or disposition of this proceeding. Parties may access this conference call by telephoning (502) 564-3940 and requesting connection to Conference Bridge 7099. Ledbetter District shall have such officers and employees participate who are knowledgeable concerning the issues.

4. Corporate entities are advised that, under Kentucky law, a corporation, its employees, and any representative not licensed to practice law in Kentucky are not

permitted to make objections or examine or cross-examine witnesses in administrative hearings.⁸

5. Within 20 days of the date of this Order, Ledbetter District, William Phillip Dae, Kevin Bailey, Terry Teitloff, Arnie Puckett, and Bill Gillahan shall each file a written response to the Commission concerning the allegations contained herein.

Done at Frankfort, Kentucky, this 13th day of February, 2009.

By the Commission

ATTEST:



Executive Director

⁸ *Turner v. Kentucky Bar Ass'n.*, 980 S.W.2d 560 (Ky. 1998); Administrative Case No. 249, *Practice Before the Commission by Attorneys Non-Licensed in the Commonwealth of Kentucky* (Ky. PSC June 15, 1981).

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00484 DATED FEBRUARY 13, 2009

Ledbetter Water District

1483 U.S. 60 West ♦ Ledbetter, Kentucky 42058

270-898-3236

Thomas M. Dorman
Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY 40602

RE: Formal Application for a Purchased Water Adjustment

Dear Mr. Dorman:

Enclosed is an original and 10 copies of an application for a purchased water rate adjustment for Ledbetter Water District. The adjustment is necessary to recover an increase in the cost of water attributable to our supplier's new wholesale rates. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached.

The district will publish the enclosed public notice of these requested rate revisions in the local newspaper. In accordance with PSC rules and regulations, the notice will be published before the new bills are issued and will be published one time. A copy of the newspaper notice and an affidavit verifying publication will be forwarded to you upon publication.

The District has previously filed income statements and balance sheets with the Public Service Commission. These income statements and balance sheets are currently on file with the Commission.

Sincerely,


Manager

enclosure

PURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND ASSOCIATIONS
(807 KAR 5:068)

Ledbetter Water District
(Name of Utility)

February 18, 2004
(Date)

1483 U.S. 60 West, P.O. Box #123
(Address)

Ledbetter, KY 42058
(City, State)

(270) 898-3236
(Telephone Number)

- 1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

| <u>Supplier(s)</u> | <u>Base Rate</u> | <u>Changed Rate</u> |
|---|------------------|---------------------|
| Crittenden – Livingston Water District | \$1.83 | \$2.20 |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

6. Purchased water adjustment factor: 0.22.

The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.

Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.

7. Proposed effective date: March 31, 2004.

Bill Downs
(Signature of Utility Officer)

Manager
(Title)

Exhibit A

NOTICE

Ledbetter Water District has filed an application with the Public Service Commission to increase its rates for water service. The proposed effective date of the change is March 31, 2004. The purpose of the proposed rate increase is to recover added cost due to an increase in the rate that the water district pays for purchased water.

| 5/8 inch meter | CURRENT RATES | PROPOSED RATES |
|-------------------------|------------------------|------------------------|
| Customer Charge | \$5.42 Customer Charge | \$5.42 Customer Charge |
| FIRST 25,000 GALLONS | 4.42 per 1,000 gallons | 4.64 per 1,000 gallons |
| OVER 25,000 GALLONS | 2.98 per 1,000 gallons | 3.20 per 1,000 gallons |

COMPARISON OF 5 / 8 " METER SIZE RATES AT DIFFERENT USAGE LEVELS

| <u>MONTHLY USAGE</u> | <u>MONTHLY BILL AT CURRENT RATE</u> | <u>MONTHLY BILL AT PROPOSED RATE</u> | <u>PERCENT INCREASE OVER CURRENT</u> |
|--------------------------|---|--|--|
| 0 | \$5.42 | \$5.42 | 0% |
| 1000 | 9.84 | 10.06 | 2.2% |
| 2,000 | 14.26 | 14.70 | 3.1% |
| 5,000 | 27.52 | 28.62 | 4.0% |
| 10,000 | 49.62 | 51.82 | 4.4% |
| 20,000 | 93.82 | 98.22 | 4.7% |
| 30,000 | 130.82 | 137.42 | 5.0% |
| 50,000 | 190.42 | 201.42 | 5.8% |
| 75,000 | 264.92 | 281.42 | 6.2% |
| 100,000 | 339.42 | 361.42 | 6.5% |
| 150,000 | 488.42 | 521.42 | 6.8% |
| 200,000 | 637.42 | 681.42 | 6.9% |
| 1,000,000 | 3,041.42 | 3,241.42 | 6.6% |
| 2,000,000 | 6,021.42 | 6,441.42 | 6.9% |

Note: Average customer (5,000 gallons) bill will increase from \$27.52 to \$28.62 or 4.0%.

The rates contained in this notice are the rates proposed by the Ledbetter Water District. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice.

Any corporation, association, body politic, or person may request leave to intervene, by motion within thirty (30) days after notice of the proposed rate change is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, Post Office Box 615, Frankfort, KY 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from the District office at 1483 U. S. 60 West, Ledbetter, Kentucky. Upon request from an intervenor, the District shall furnish to the intervenor a copy of the application and supporting documents.

FOR Ledbetter, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

SHEET NO. _____

Ledbetter Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

SHEET NO. _____

RATES AND CHARGES

A. MONTHLY RATES:

All Customer Classes

| | |
|----------------------|--------------------------|
| Customer Charge | \$5.42 per Month |
| First 25,000 Gallons | \$4.64 per 1,000 Gallons |
| Over 25,000 Gallons | \$3.20 per 1,000 Gallons |

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____

ISSUED BY Bill Downs _____
Month / Date / Year
(Signature of Officer)

TITLE Manager _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

Exhibit BB

New For You TODAY

Classified Ads Appearing for the 1st Time

KEEP READING FOR COMPLETE LISTING OF TODAY'S CLASSIFIED ADS

Merchandise

6 PIECE oak bedroom suite, like new, \$350. 442-7919.

8X12 SHED, 10' HIGH \$700 442-6293

Transportation

21' GROWNLIN Bow Rider boat, tandem trailer, low hours, \$13,000. Call 270-698-9239.

Transportation

2003 NISSAN 350V, Daytona blue, 23K miles. 898-7676 or 366-2203.

2001 KTM PRO Senior 50, like new. 753-0765.

1999 CHEVY Silverado, Z71, 5.3 auto, CD player, power windows & locks; 107K miles, \$11,500. 462-3739 or 832-6064.

Read The Want Ads Daily

Transportation

1999 DODGE Grand Caravan, good cond. 753-0765.

1996 Z71 extended cab, black with tan leather interior, lots of extras, \$10,500. 270-354-8003.

1995 COUGAR, \$2,995. Good, clean, local car. Dealer: 442-6349.

1994 CAVALIER, \$895. Dealer: 442-6349.

Transportation

1992 Olds Delta, \$2,995. Local, clean, 1 owner. Dealer: 442-6349.

1991 LUMINA, \$1,995. 1 owner, 84K. Dealer: 442-6349.

1989 HONDA Civic, new trans., 100K miles, \$2,300. 443-4569.

1986 COUGAR, \$1,495. Dealer: 442-6349.

WANT AD TODAY This feature showcases ads appearing for the very 1st time (excluding Monday). It increases readership and gives the advertiser the very 1st day of your ad schedule. Consumers will look here 1st for the new ads.

575-8700 LOOK HERE 1ST! Then keep reading for more classified ads. Ask for this the next time you place an ad for an additional 50¢ per line.

NOTICE

Ledbetter District proposes to make the following revisions to its schedule of charges. The proposed effective date for the change is March 31, 2004.

| | Current | Proposed | % Change |
|------------------------------|--------------------------|--------------------------|----------|
| Meter Connection/Tap-On Fees | | | |
| 5/8 x 3/4 Inch Meter | 500.00 | 550.00 | 10% |
| 1 Inch Meter | actual cost | 750.00 | N/A |
| 1 1/2 Inch Meter | actual cost | 1,350.00 | N/A |
| 2 Inch Meter | actual cost | 1,550.00 | N/A |
| Leak Adjustment Rate | \$1.50 per 1,000 gallons | \$2.20 per 1,000 gallons | 46.67% |

The charges/rates contained in this notice are the charges/rates proposed by the Ledbetter Water District. However, the Public Service Commission may order charges/rates to be charged that differ from these proposed charges/rates. Such action may result in charges/rates for consumers other than the charges/rates in this notice.

Any corporation, association, body politic, or person may, by motion within thirty (30) days after publication of this fee change, request leave to intervene; and the motion shall be submitted to the Public Service Commission, Post Office Box 615, Frankfort, KY 40602, and shall set forth the grounds for the request including the status and interest of the party.

Intervenors may obtain copies of the application and related filings by contacting the Water District.

The Water District has available for inspection at its office the proposed changes to its Rules and Regulations. The office is located at 1483 U.S. 60 West, Ledbetter, Kentucky 42058.

This notice is published pursuant to 807 KAR 5:011 Tariffs

Ledbetter Water District

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Note: Average customer (5,000 gallons) bill will increase from \$27.52 to \$28.62 or 4.0%.

The rates contained in this notice are the rates proposed by the Ledbetter Water District. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice.

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CLASSIFIED Advertising Dept.

DIAL 575-8700

To place your WANT AD MONDAY - FRIDAY 8:00 A.M. TO 4:30 P.M. In-Column Deadlines Sun.-Mon. 3 p.m. Friday Tues.-Sat. 12 Noon Previous Day

AUCTION SALE

9:30 A.M. • Sat., Mar 27, 2004

Located at 2031 Clay Street, Paducah, KY PERSONAL PROPERTY

Color TV, ottoman, couch & chair, recliner, 2 lamps, 2 end tables, 2 floor lamps, clock, wall pictures, dining room table & chairs, telephone chair, Fostoria glasses, China basket, dishes, hutch, China set, stereo & records, salt & pepper shakers, microwave, tulip glass bowl, melmac, iron, wood stool, Pyrex bowls, rollaway bed, aluminum walker, pots & pans, silverware, toaster, rolling pin, sifter, clock, sewing box, table lamps, bird bell, rabbit dish, pendulum clock, vibrating chair, electric sewing machine, 78 rpm records, Bibles, Zippo

Classified



Place An Ad:
8700
 599-1771
 Cracker Co.



es@paducahsun.com

Advertisement rates table with columns for days and times.

Additional text for advertisement rates.

4:30 p.m.

Check the first insertion of their ads for Sun will be responsible for only one incor- should be reported immediately so correc-

ads & Worldwide: in The Paducah Sun Classifieds, you can TRA! and on SunSix Infonet for an addi-

Private Party Ad Rates table with columns for days and months.

New For You TODAY

Classified Ads Appearing for the 1st Time

KEEP READING FOR COMPLETE LISTING OF TODAY'S C

| Merchandise | Transportation | Transportation | Trans |
|--|--|---|---------------------------------|
| 6 PIECE oak bedroom suite, like new, \$350. 442-7919. | 2003 NISSAN 350V, Daytona blue, 23K miles 898-7676 or 366-2203. | 1999 DODGE Grand Caravan, good cond. 753-0765. | 1992 Olds Local, dealer |
| 8X12 SHED, 10' HIGH \$700 442-6293 | 2001 KTM PRO Senior 50, like new 753-0765. | 1996 Z71 extended cab, black with tan leather interior, lots of extras, \$10,500. 270-354-8003. | 1991 LUM 10yr Dealer |
| 21' CROWLINE Bow Rider boat, tandem trailer, low hours, \$13,000. Call 270-898-9239. | 1999 CHEVY Silverado, Z71, 5.3 auto, CD player, power windows & locks, 107K miles, \$11,500. 462-3739 or 832-6084. | 1995 COUGAR, \$2,995 Good, clean, local car Dealer 442-6349 | 1989 HONI trans, 1 \$2,300. 443 |
| | Read The Want Ads Daily | 1994 CAVALIER, \$895 Dealer 442-6349 | 1986 COU Dealer |

New For You TODAY This feature showcases ads appearing for the very 1st increases readership and doubles your exposure the ve Consumers will look here 1st to view all th

575-8700 LOOK HERE 1st! Then keep reading for n

Ask for this the next time you place an ad for an additional

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Intervenors may obtain copies of the application and related filings by contacting the Water District.

The Water District has available for inspection at its office the proposed changes to its Rules and Regulations. The office is located at 1483 U.S. 60 West, Ledbetter, Kentucky 42058.

This notice is published pursuant to 807 KAR 5:011 Tariffs.

Ledbetter Water District

NO

Ledbetter Water District has filed a Commission to increase its rates for date of the change is March 31, 2004. Increase is to recover added cost due district pays for purchased water.

| | Current | Proposed |
|----------------------|---------|----------|
| 5/8 inch meter | CUF | BA |
| Customer Charge | \$5.42 | Custk |
| FIRST 25,000 GALLONS | 4.42 | per 1 |
| OVER 25,000 GALLONS | 2.18 | per 1 |

COMPARISON OF 5/8 AT DIFFERENT

| MONTHLY USAGE | MONTHLY BILL AT CURRENT RATE |
|---------------|------------------------------|
| 0 | \$5.42 |
| 1,000 | 9.84 |
| 2,000 | 14.26 |
| 5,000 | 27.52 |
| 10,000 | 49.62 |
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Note: Average customer (5,000 galls \$28.62 or 4.0%.

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CLASSIFIED
 Advertising Dept.
 DIAL 575-8700
 To place your WANT AD MONDAY - FRIDAY 8:00 A.M. TO 4:30 P.M.

AUCTION SALE
 9:30 A.M. - Sat., Mar. 27, 2004
 Located at 2031 Clay Street, Paducah, KY
PERSONAL PROPERTY
 Color TV, ottoman, couch & chair, recliner, 2 lamps, 2 end tables, 2 floor lamps, clock, wall pictures, dining room table & chairs, telephone chair, Festoria glasses, China basket, dishes, hutch, China set, stereo & records, salt & pepper shakers, microwave, tulip glass bowl mel.

AFFIDAVIT OF PUBLICATION

STATE OF KENTUCKY)
) SS
COUNTY OF McCRACKEN)

I, Judy Gordon, being Classified Advertising Manager of The Paducah Sun, published in Paducah, Kentucky, hereby states that The Paducah Sun carried the advertisement of: Ledbetter Water District Notice of Rate Increase

ON THE FOLLOWING DATES: March 21, 2004

SIGNATURE: Judy Gordon

DATE: March 22, 2004

Subscribed and sworn to before me by the Affiant named in the afore-going Affidavit, being personally known to me this 22nd day of March, 2004

My commission expires August 11, 2007

Cassidy J. Kinsey
Notary Public

COPY

AFFIDAVIT OF PUBLICATION

STATE OF KENTUCKY)
COUNTY OF McCRACKEN) SS

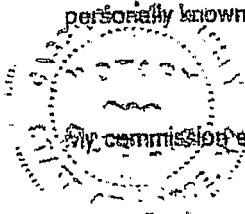
I, Judy Gordon being Classified Advertising Manager of The Paducah Sun, published in Paducah, Kentucky, hereby states that The Paducah Sun carried the advertisement of: Ledbetter Water District Notice of Water Charges Revision

ON THE FOLLOWING DATES: March 21, 2004
March 28, 2004
April 4, 2004

SIGNATURE: Judy Gordon

DATE: April 5, 2004

Subscribed and sworn to before me by the Affiant named in the afore-going Affidavit, being personally known to me this 5th day of April, 2004



My commission expires August 11, 2007

Carolyn J. C. Kinsey
Notary Public



Ernie Fletcher
Governor

LaJuana S. Wilcher
Secretary

Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Public Service Commission

211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
March 30, 2004

Billy Downs
Manager
Ledbetter Water District
P. O. Box 123
Ledbetter, KY 42058-0123

RE: Case No. 2004-00107
Ledbetter Water District
(Rates - Non-Recurring Charges)

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received March 26, 2004 and has been assigned Case No. 2004-00107. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact Jeff Cline at (502) 564-3940 ext. 218.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas M. Dorman".

Thomas M. Dorman
Executive Director

TD/jc

Exhibit CC

Exhibit DD



Ernie Fletcher
Governor

Lajuana S. Wilcher
Secretary

Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Public Service Commission

211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
April 23, 2004

Billy Downs
Manager
Ledbetter Water District
P. O. Box 123
Ledbetter, KY 42058-0123

CERTIFICATE OF SERVICE

RE: Case No. 2004-00107
Ledbetter Water District

I, Thomas M. Dorman, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on April 23, 2004.

A handwritten signature in black ink, appearing to read "Thomas M. Dorman", written over a horizontal line.

Executive Director

TD/jc
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF LEDBETTER)
WATER DISTRICT TO INCREASE) CASE NO. 2004-00107
CERTAIN NON-RECURRING CHARGES)

O R D E R

On March 26, 2004, Ledbetter Water District ("Ledbetter") applied for authority to increase certain non-recurring charges. Ledbetter has provided evidence of the individual expenses incurred to provide the services associated with the proposed charges.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. The proposed charges are equal to the expenses incurred to provide the associated services.
2. The charges and policies set forth in the Appendix to this Order are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The charges in the Appendix are approved for services rendered on and after the date of this Order.
2. The proposed tariff sheets filed by Ledbetter are approved as filed.

Billy Downs
Manager
Ledbetter Water District
P. O. Box 123
Ledbetter, KY 42058-0123