

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**RECEIVED**  
FEB 26 2009  
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 GILLAHAN, ) CASE NO. 2008-00484**  
**COMMISSIONER, INDIVIDUALLY AND AS )**  
**OFFICERS OF THE UTILITY, FOR ALLEGED )**  
**VIOLATIONS OF KRS 278.015 AND 278.160 )**

**RESPONSE BY THE LEDBETTER WATER DISTRICT AND  
ITS COMMISSIONERS**

The Ledbetter Water District and its Commissioners, William Phillip Dae, Terry Teitloff, Arnie Puckett, Jim Shade and Bill Gillahan, make their written response to the order of the Kentucky Public Service Commission dated February 13, 2009, as follows:

The order of the Public Service Commission dated February 13, 2009 in the captioned case required a response by the Ledbetter Water District, William Phillip Dae, Kevin Bailey, Terry Teitloff, Arnie Puckett, and Bill Gillahan. The present make up of the Ledbetter Water Commission consists of the following: William Phillip Dae, Terry Teitloff, Arnie Puckett, Bill Gillahan and Jim Shade. Mr. Shade has been on the commission about a year and a half. He replaced Kevin Bailey who went on the commission on September 15, 2004 and went off the commission a year and a half ago. Thus, this response will be on behalf of the present commission members and the Ledbetter District which has been managed by Billy Downs since September of 2000.

In March 2004, the Ledbetter Water District thought it filed with the Public Service Commission a request for a purchased water adjustment and a request to increase some non-recurring charges and to revise some tariff language regarding rules and regulations. The manager, Billy Downs, had most of the responsibility for communicating with the Public Service Commission staff concerning the two applications

for increased rates. The need for the purchased water adjustment came about because the Crittenden-Livingston Water District raised the rate it charged the Ledbetter Water District for wholesale water. For some time, Ledbetter was selling water at a rate less than what it was paying the Crittenden-Livingston Water District. The Public Service Commission staff agreed to help with the PWA process. The Ledbetter Water District staff provided the Public Service Commission staff with the financial and water use data needed to calculate the rate increase for the purchased water adjustment. In addition, the Ledbetter Water District, as a separate case at the same time, was preparing a request to increase certain non-recurring charges.

The Public Service Commission's rate design branch calculated new rates based on the information provided by the Ledbetter Water District. The Public Service Commission rate design branch also prepared a public notice which detailed the PWA rate increase and the effect it would have on customers' bills. This notice was forwarded by the Public Service Commission to the Ledbetter Water District. This public notice was ultimately submitted to the Paducah Sun to be published on one occasion only. At the same time, a public notice concerning the non-recurring charges and tariff language was also submitted to the newspaper for publication on three separate days as required. Both notices were in fact published side by side in the Paducah Sun, the local daily newspaper with the widest circulation. A copy of the ads and a copy of the affidavits of publication on both notices are attached hereto as collective Exhibit "A".

After submitting the ads to the paper for publication, the District intended to submit to the Public Service Commission, and thought that it did submit, an application for the purchased water adjustment along with the required supporting documentation which included a copy of the public notice. The District believed this PWA application was submitted to the Public Service Commission in the same package as the District's request to increase certain non-recurring charges. In its own records, the District found

copies of both signed applications and transmittal letters to the Public Service Commission in the same folder. As noted, the newspaper notices on both applications were published side by side in the newspaper.

The District received a letter from the Public Service Commission acknowledging receipt of the non-recurring charges application. That application was date stamped received March 26, 2004 and assigned case number 2004-00107. A copy of this letter dated March 30, 2004 from the Public Service Commission to Billy Downs, Manager of the Ledbetter Water District, is attached as Exhibit "B". Though this letter references only "rates-non-recurring charges", the District Office apparently (erroneously) assumed that this letter acknowledged receipt of both applications.

During the time the PWA application was being prepared, Mr. Downs sought counsel with Brent Kirtley of the Public Service Commission regarding the PWA process in order to insure that the District met all of the Public Service Commission requirements. Mr. Downs was informed that the PWA process was much simpler than a full rate case and that the notice in the paper had to be published only once. Following that, the PWA application was to be filed with the Public Service Commission. The communications with Mr. Kirtley are not recalled to shift blame, but simply to inform the Commission that the Ledbetter Water District was attempting, in good faith, to obtain information to properly pursue the PWA process rather than attempt to skirt the regulatory process.

Again, after publication of the notices of both the non-recurring charges and the purchase water rate adjustment, copies of the public notices that appeared in the paper, along with the affidavits of publication were mailed to the Public Service Commission. The publication in the paper pertaining to the PWA rates was obviously received by the Public Service Commission because the notice was scanned into the file of Case No. 2004-00107, the non-recurring charges case. Having filed the notice of publication, and

believing that it also filed the PWA application, the District thought that it had completed the necessary requirements for the purchased water adjustment.

The District then received a copy of the order approving the increase in non-recurring charges and the changes in tariff language. Though the PWA application was obviously not mentioned in that order, the Ledbetter Water District apparently did not realize that a separate order approving the PWA was necessary and believed the PWA process was complete. Consequently, the water district put the new PWA rates in effect as set forth in the public notice.

The District simply failed to follow through and verify that the PWA was approved. However, it was not a case of trying to skirt the requirements of the law and the rules and regulations of the Public Service Commission because the District had worked with the Public Service Commission staff throughout the PWA rate process and had sent to the Public Service Commission documents necessary for the rate calculations as well as documentation of the public notice. Unfortunately, the staff at the water district had been involved in only one prior rate case and had limited experience with the Public Service Commission rate process.

Although the Ledbetter District's staff did the work corresponding with the Public Service Commission staff in preparing, processing and filing documents for the purchase water adjustment, the Commissioners were diligent in overseeing the process and staying informed. The Commissioners were unfortunately unaware of any deficiency in completing the process, because the Ledbetter Water staff mistakenly informed them that the process had been finalized.


The Ledbetter Water District is operating at a deficit. In the fall of 2008, the District was in the process of preparing an application for a rate increase with the help of the Public Service Commission staff. It was during that process that the manager of the Ledbetter Water District inquired why Ledbetter's tariff on the Public Service

Commission's website did not reflect the PWA rates that the District assumed had been approved. At that time the District was informed that the PWA had not been approved. This prompted the letter dated November 17, 2008 from Billy Downs, District Manager to Ms. Stumbo, Executive Director of the Public Service Commission. A copy of that letter and all of its attachments are attached hereto as collective Exhibit "C". A copy of a letter from Billy Downs to Thomas M. Dorman, Executive Director of the Kentucky Public Service Commission purporting to forward the PWA application in 2004 is attached to the letter of Billy Downs to Ms. Stumbo dated November 17, 2008. Mr. Downs cannot explain why the letter to Mr. Dorman is not dated, but a similar letter addressed to Mr. Dorman enclosing the application for the non-recurring charges was also undated. The latter application was filed by the Public Service Commission and acknowledged.


As noted in Mr. Downs' letter to the Public Service Commission, it should be obvious that the water district would not risk jeopardizing its standing by deliberately avoiding Public Service Commission rules and regulations. Rather, the water district honestly believed that it had properly filed the PWA application. It was the first PWA application the District had filed. Admittedly, it erred in not following through on the approval process. The District staff now has much more experience with rate and tariff cases and is not likely to repeat such errors. The District is now familiar with the Public Service Commission, its different branches and will have no hesitation in making inquiries when necessary. The water district would welcome any additional training for their staff and the commissioners that could be conducted by the Public Service Commission.

In short, the water district is in financial distress and it simply does not have money for a refund, much less penalties. Obviously, the only source of funds for the water district is through water billings paid for by the district customers.

Wherefore, the water district and its commissioners, who all sign below, request appropriate relief from the Public Service Commission.

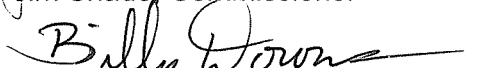
  
William P. Dae, Chairman

  
Terry Teitloff, Vice-Chairman

  
Arnie Puckett, Commissioner

  
Bill Gillahan, Commissioner

  
Jim Shade, Commissioner

  
Billy Downs, Manager of the Ledbetter Water District

**CERTIFICATE OF SERVICE**

I certify that the foregoing has been served by mailing the original of same to:

- 1) JEFF R. DEROUEN  
EXECUTIVE DIRECTOR  
PUBLIC SERVICE COMMISSION  
PO BOX 615  
FRANKFORT KY 40602-0615

on this the 24<sup>th</sup> day of February, 2009.

  
David Boswell  
BOSWELL, SIMS & VASSEUR, PLLC  
425 South Sixth Street  
P.O. Box 1265  
Paducah, KY 42002-1265  
(270) 442-9237

Sunday, March 21, 2004

The Paducah Sun

# Classified



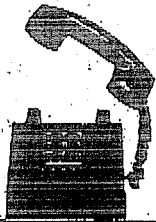
Call An Ad:

**8700**

599-1771

Cracken Co.

@paducahsun.com



ADVERTISING

..... Fri. 3 p.m.  
 ..... 12-Noon Prev. Day  
 ..... 12 Noon Prev. Day  
 ..... Noon Fri.  
 ..... Thurs. 4 p.m.  
 ..... Thurs. 4 p.m.

..... Wed. 4 p.m.  
 ..... Thurs. Noon  
 ..... Thurs. 4 p.m.  
 ..... Fri. 4 p.m.  
 ..... Mon. Noon  
 ..... Tues. Noon  
 ..... Wed. Noon

Mastercard & Visa!

4:30 p.m.

to 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 TRAI and on SunSix Infonet for an addi-

## Private Party Ad Rates:

4 Days \$16.00 5 Days \$18.00 6 Days \$21.60 7 Days \$22.40 1 Month \$71.60

To place your WANT MONDAY - FRIDAY 8:00 A.M. TO 4:30 P.

# New For You Today

Classified Ads Appearing for the 1st Time

KEEP READING FOR COMPLETE LISTING OF TODAY'S G

Merchandise	Transportation	Transportation	Transportation
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. 759-0765.	1992 Olds Local, clc Dealer
6X12 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 LUX 10w Dealer
21' CROWNLINE 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 HON trans, 1 \$2,300. 442-6349
	Read The Want Ads Daily	1994 CAVALIER, \$895 Dealer 442-6349	1986 COL Dealer

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

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

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

## 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 700 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

## NO

Ledbetter Water District has filed a Commission to increase its rates for date of the change is March 31, 20 increase is to recover added cost due district pays for purchased water.

	CUI
5/8 inch meter	B
Customer Charge	\$5.42 Cui
FIRST 25,000 GALLONS	4.42 per
OVER 25,000 GALLONS	2.98 per

## 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
20,000	93.82
30,000	130.82
50,000	190.42
75,000	264.92
100,000	339.42
150,000	466.42
200,000	637.42
1,000,000	3,041.42
2,000,000	6,021.42

Note: Average customer (5,000 gall \$28.62 or 4.0%.

The rates contained in this notice are Water District. However, the Public Ser charged that are higher or lower than if Any corporation, association, body pc intervene, by motion within thirty (30) change is given. A motion to intervene to the Executive Director, Public Servi Frankfort, KY 40602, and shall set forth the status and interest of the party mo obtained at no charge from the District.

## CLASSIFIED

Advertising Dept.

DIAL 575-8700

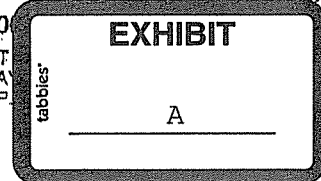
To place your WANT MONDAY - FRIDAY 8:00 A.M. TO 4:30 P.

## AUCTION SALE

9:30 A.M. - Sat., Mar. 27, 2004

Located at 2031 Clay Street, Paducah, KY

PERSONAL PROPERTY  
 air, recliner, 2 lamps, 2 wall pictures, dining chair, Fosteria glasses, a set, stereo & records, infln class hand incl.



The Paducah Sun

# New For You TODAY

Classified Ads Appearing for the 1st Time

KEEP READING FOR COMPLETE LISTING OF TODAY'S CLASSIFIED ADS

<b>Merchandise</b>	<b>Transportation</b>	<b>Transportation</b>	<b>Transportation</b>
6 PIECE oak bedroom suite, like new. \$350. 442-7919.	2003 NISSAN 350V, Daytona blue, 23K miles. 899-7676 or 366-2203.	1999 DODGE Grand Caravan, good cond. 753-0765.	1992 Olds Delta, \$2,995. Local, clean, 1 owner. Dealer: 442-6349
8X12 SHED, 10' HIGH \$700 442-6293	2001 KTM PRO Senior 50, like new. 753-0765.	1995 Z71 extended cab, black with tan leather interior, lots of extras. \$10,500. 270-354-8003.	1991 LUMINA, \$1,995. 1 owner, 84K. Dealer: 442-6349
<b>Transportation</b>	1999 CHEVY Silverado, Z71, 5.3 auto, CD player, power windows & locks. 107K miles. \$11,500. 462-3709 or 832-6084.	1995 COUGAR, \$2,995. Good, clean, local car. Dealer: 442-6349	1989 HONDA Civic, new trans., 100K miles. \$2,900. 443-4569.
21' CROWLINE Bow Rider boat, tandem trailer, low hours, \$13,000. Call 270-898-9239.	Read The Want Ads Daily	1994 CAVALIER, \$895. Dealer: 442-6349	1986 COUGAR, \$1,495. Dealer: 442-6349

**New For You TODAY** This feature showcases ads appearing for the very 1st time (excluding Monday). It increases readership and doubles your exposure the very 1st day of your ad schedule. Consumers will look here 1st to view an item new to the market.

**575-8700** LOOK HERE 1<sup>st</sup>! 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
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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 those 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

## 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.

	CURRENT RATES	PROPOSED RATES
5/8 Inch meter		
Customer Charge	\$5.42	\$5.42
FIRST 25,000 GALLONS	4.42 per 1,000 gallons	4.84 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

MONTHLY USAGE	MONTHLY BILL AT CURRENT RATE	MONTHLY BILL AT PROPOSED RATE	PERCENT INCREASE OVER CURRENT
0	\$5.42	\$5.42	0%
1,000	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.

## 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, Fosteria glasses, China basket, dishes, hutch, China set, stereo & records, salt & pepper shakers, microwave, tulip glass bowl, melamine, 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, Bible, Zippo



The Paducah Sun

408 KENTUCKY AVE. - P.O. BOX 2300 - PADUCAH, KENTUCKY 42002-2300

270-575-8600

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 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

# The Paducah Sun

408 KENTUCKY AVE. - P.O. BOX 2300 - PADUCAH, KENTUCKY 42002-2300 270-575-8600

**COPY**

### AFFIDAVIT OF PUBLICATION

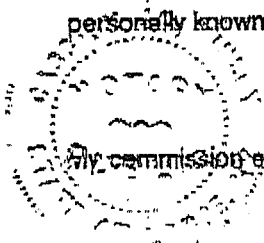
STATE OF KENTUCKY            )  
   ) SS  
 COUNTY OF McCRACKEN        )

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 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

Candy J. C. Kirsey  
 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)

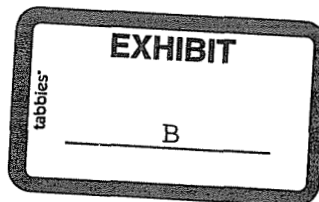
This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received March 26, 2004 and has been assigned Case No. 2004-00107. In all future correspondence or filings in connection with this case, please reference the above case number.

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

Sincerely,

Thomas M. Dorman  
Executive Director

TD/jc



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

Phone: 270-898-3236  
Fax: 270-898-3496  
ledbetterwaterdi@bellsouth.net

November 17, 2008

Stephanie L. Stumbo  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

Dear Ms. Stumbo:

Ledbetter Water District hereby requests a review, by the Public Service Commission, of the events regarding a request for a purchased water adjustment.

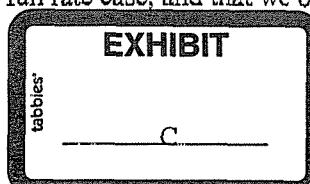
During early 2004 Ledbetter Water District asked Public Service Commission staff to assist with a request for a Purchased Water Adjustment (PWA). Crittenden – Livingston Water District had raised the rate it charged Ledbetter for wholesale water, and a rate increase was necessary to recover the additional cost. PSC staff informed us that the PWA process was much simpler than a full rate case, and they agreed to help. Ledbetter staff provided them with the financial and water use data needed to calculate the rate increase. At the same time, the District was preparing, as a separate case, a request to raise some non-recurring charges and revise some tariff language regarding rules and regulations.

The events referred to herein happened four and one half years ago, and some details cannot be recalled precisely. However we have some supporting documentation to back up our memory, and we believe this account to be accurate. PSC staff involved in the process included Jack Kaninberg and Brent Kirtley. Someone in the Rate Design Branch was also involved, but we cannot recall who that person was.

Using the information provided by the District, PSC's Rate Design Branch calculated new rates. They then prepared a public notice, detailing the PWA rate increase and the effect it would have on customers' bills, and sent that notice to the District. The public notice was submitted to the Paducah Sun to be published one time. Simultaneously a second public notice, concerning the non-recurring charges and tariff language, was submitted to the newspaper for publication three times, as required. The District published the notices in the Paducah Sun, the local daily newspaper with the widest circulation.

Upon submitting the ads to the paper, the District filed an application for the Purchased Water Adjustment, including supporting documentation and a copy of the public notice submitted for publication. The District's records do not specifically state so, but it appears that the application for the PWA was submitted to the PSC in the same package as the request to raise non-recurring charges. We found copies of both applications filed in the same folder, and the notices appear side by side in the newspaper. The District received a letter acknowledging receipt of the application, referencing case number 2004-00107, and a copy is attached. Upon receiving it we apparently assumed that this receipt pertained to both applications.

Either just before publication of the public notice, or just afterward, I had a conversation with Brent Kirtley regarding the PWA process, for the purpose of ensuring that we met all of the PSC requirements. Mr. Kirtley reiterated that the PWA was a much simpler process than a full rate case, and that we only had to publish the notice in the newspaper



once. To the best of my recollection, I asked if that was all that we needed to do. His reply was that we just needed to publish the notice once and then file documents with the PSC.

Upon publication we mailed copies of the public notices that appeared in the paper, along with the affidavits of publication, to the PSC. Copies of the ads, along with the affidavits, are attached. At that point we understood that we had completed the necessary requirements for the Purchased Water Adjustment. We received a copy of an Order approving the increase in non-recurring charges and the changes in tariff language, and the PWA case was not mentioned. Having been assured that the PWA process was relatively simple and streamlined compared to a rate case, we, perhaps mistakenly, did not question the lack of an Order specifically approving the PWA. We thought that the process was complete. We put the new rates in effect, as prescribed in the public notice.

The staff working at Ledbetter Water District in 2004 had been involved in one rate case, and had limited experience with the PSC rate processes. We had worked with PSC staff throughout the rate process. We had sent documents necessary for the rate calculations, and documentation of the public notification. We had been told of the relative simplicity of the PWA process, and we apparently misunderstood the degree of simplicity. Thereby we failed to follow up and verify that the PWA was definitely approved.

A discrepancy between the rates the District charges and the rates on file with the PSC was discovered during the process of preparing for an application for a rate increase. Ledbetter Water District is currently operating in the red. We have asked for help in preparing a rate case, and the PSC's staff is assisting us. During conversations with some of the PSC staff, I asked why Ledbetter's Tariff that is available on the PSC web site does not reflect the PWA that we thought we were granted. We were subsequently informed that the PWA had not been approved.

Ledbetter Water District respectfully requests that the Public Service Commission review the 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. The District then requests that the Commission rule on the legitimacy of the Purchased Water Adjustment that was enacted, and the resulting rates that the District has charged subsequent to the enactment of the PWA in 2004.

The board of commissioners and the staff of Ledbetter Water District have developed great respect for the Public Service Commission. All of our experiences in working with the commission's staff have been positive. They have been very helpful, reliable and professional. And PSC decisions which we have observed have always appeared to be based on sound reasoning. We would not risk jeopardizing our standing with the Commission by deliberately skirting PSC rules.

We have been informed that it is possible that we may be required to refund money collected through the increased rate that we enacted in 2004. We sincerely hope that the PSC can rule that this is not necessary. The District is already operating in the red, and we do not have money for a refund. Our only source of funds is through rates paid by our customers. Financing a refund would be costly, and that cost would have to be passed on to the customers. Therefore we would need to raise our customers' rates substantially in order to pay those same customers a refund.

The District acted in good faith to obtain approval for the 2004 rate adjustment. The possible error in failing to follow up on the approval process was made without malice or intent. Since that time the District's staff has had considerable experience with rate and Tariff cases, and is much less likely to make such errors. We are familiar with PSC personnel in the different branches, and we are comfortable in asking them questions when necessary. Our personnel regularly attend training sessions conducted by the PSC. We would welcome additional training for our staff and our commissioners if that could be arranged. It is always our desire to be well informed so that we can conduct business properly and in the best interest of the customers we serve.

Sincerely,

Billy Downs  
District Manager

## 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,

*Bill Dorman*  
*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
_____	_____	_____
_____	_____	_____

- 1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as **Exhibit A**.
- 2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From: **Jan 2003** through **Dec 2003**  
 (month and year) (month and year)

- 3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
Crittenden -- Livingston Water	<b>38,509,000</b>
<hr/>	
<b>TOTAL PURCHASES</b>	<b><u>38,509,000</u></b>

4. Total sales for the 12-month period: **66,222,291**.

5. Increased water cost: **\$14,248.33**.



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	\$5.42
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%
<b>5,000</b>	<b>27.52</b>	<b>28.62</b>	<b>4.0%</b>
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 \_\_\_\_\_  
Month / Date / Year

ISSUED BY Bill Downs  
(Signature of Officer)

TITLE Manager

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

Sunday, March 21, 2004

The Paducah Sun

# Classified



An Ad:  
**8700**  
599-1771  
Cracken Co.



@paducahsun.com

es:  
IN ADVERTISING

..... Fri. 3 p.m.  
..... 12-Noon Prev. Day  
..... 12 Noon Prev. Day  
..... Noon Fri.  
..... Thurs. 4 p.m.  
..... Thurs. 4 p.m.

(NG  
..... Wed. 4 p.m.  
..... Thurs. Noon  
..... Thurs. 4 p.m.  
..... Fri. 4 p.m.  
..... Mon. Noon  
..... Tues. Noon  
..... Wed. Noon

ntercard & Visa!

- 4:30 p.m.

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

ra  
ds & Worldwide:

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

## Private Party Ad Rates:

4	5	6	7	1
Days	Days	Days	Days	Month
\$16.00	\$18.00	\$21.60	\$22.40	\$71.60

# 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. 753-0785.	1992 Olds Local, clc Dealer
8X12 SHED, 10' HIGH \$700 442-6293	2001 KTM PRO Senior 50, like new. 753-0785.	1996 Z71 extended cab, black with tan leather in- terior, lots of extras, \$10,500. 270-354-8003.	1991 LUX 1 ov Dealer
21' CROWLINE Bow Rider boat, tandem trail- er, 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 HON trans, 1 \$2,300. 442
	Read The Want Ads Daily	1994 CAVALIER, \$895 Dealer 442-6349	1986 COL Dealer

# New For You TODAY

This feature showcases ads appearing for the very 1st  
Increases readership and doubles your exposure the very 1st  
Consumers will look here 1st to view all 1

575-8700 LOOK HERE 1<sup>ST</sup>! Then keep reading for

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

## 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 815, 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

## NO

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

5/8 inch meter	CUI
Customer Charge	\$5.42 Cust
FIRST 25,000 GALLONS	4.42 per
OVER 25,000 GALLONS	2.98 per

## 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
20,000	93.82
30,000	130.82
50,000	190.42
75,000	264.92
100,000	339.42
150,000	488.42
200,000	637.42
1,000,000	3,041.42
2,000,000	6,021.42

Note: Average customer (5,000 gall \$28.62 or 4.0%.

The rates contained in this notice are Water District. However, the Public Ser charged that are higher or lower than if Any corporation, association, body pc intervene, by motion within thirty (30) change is given. A motion to intervene to the Executive Director, Public Servi Frankfort, KY 40602, and shall set forth the status and interest of the party mo obtained at no charge from the District

## 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, Fosteria glasses, China basket, dishes, hutch, China set, stereo & records, salt & pepper shakers, microwave, tiffin glass bowl, mel-

The Paducah Sun

# New For You TODAY

Classified Ads Appearing for the 1st Time ~~The Paducah Sun~~

**KEEP READING FOR COMPLETE LISTING OF TODAY'S CLASSIFIED ADS**

<p><b>Merchandise</b></p> <p>6 PIECE oak bedroom suite, like new, \$350. 442-7919.</p> <p>8X12 SHED, 10' HIGH \$700 442-6293</p> <p><b>Transportation</b></p> <p>21' CROWLINE Bow Rider boat, tandem trailer, low hours, \$13,000. Call 270-898-9239.</p>	<p><b>Transportation</b></p> <p>2003 NISSAN 350V, Daytona blue, 23K miles. 898-7676 or 366-2203.</p> <p>2001 KTM PRO Senior 50, like new. 753-0765.</p> <p>1999 CHEVY Silverado, Z71, 5.3 auto, CD player, power windows &amp; locks, 107K miles, \$11,500. 462-3739 or 832-6084.</p> <p><i>Read The Want Ads Daily</i></p>	<p><b>Transportation</b></p> <p>1999 DODGE Grand Caravan, good cond. 753-0765.</p> <p>1996 Z71 extended cab, black with tan leather interior, lots of extras, \$10,500. 270-354-8003.</p> <p>1995 COUGAR, \$2,995. Good, clean, local car. Dealer 442-6349.</p> <p>1994 CAVALIER, \$895. Dealer 442-6349.</p>	<p><b>Transportation</b></p> <p>1992 Olds Delta, \$2,995. Local, clean, 1. owner. Dealer 442-6349.</p> <p>1991 LUMINA, \$1,995. 1 owner, 84K. Dealer 442-6349.</p> <p>1989 HONDA Civic, new trans., 100K miles, \$2,300. 443-4569.</p> <p>1986 COUGAR, \$1,495. Dealer 442-6349.</p>
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**New For You TODAY** This feature showcases ads appearing for the very 1st time (excluding Monday). It increases readership and doubles your exposure the very 1st day of your ad schedule. Consumers will look here 1st to view an ad in the newspaper.

**575-8700 LOOK HERE 1<sup>ST</sup>!** 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
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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%

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

Ledbetter Water District

## 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.

	CURRENT RATES	PROPOSED RATES
5/8 Inch meter		
Customer Charge	\$5.42	\$5.42
FIRST 25,000 GALLONS	4.42 per 1,000 gallons	4.84 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

MONTHLY USAGE	MONTHLY BILL AT CURRENT RATE	MONTHLY BILL AT PROPOSED RATE	PERCENT INCREASE OVER CURRENT
0	\$5.42	\$5.42	0%
1,000	9.84	10.06	2.2%
2,000	14.26	14.70	3.1%
5,000	27.52	28.62	4.0%
10,000	49.82	51.82	4.4%
20,000	93.82	96.22	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	6.6%
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%.

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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, microwave, 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 mm records, Bibles, Zippo

# The Paducah Sun


408 KENTUCKY AVE. - P.O. BOX 2300 - PADUCAH, KENTUCKY 42002-2300 - 270-575-8600

### 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: 

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

  
Notary Public

The Paducah Sun

408 KENTUCKY AVE. - P.O. BOX 2300 - PADUCAH, KENTUCKY 42002-2300 - 270-575-8600

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

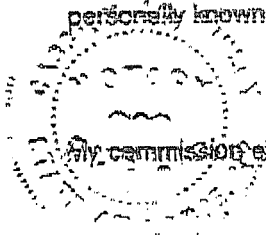
ON THE FOLLOWING DATES: March 21, 2004
March 28, 2004
April 4, 2004

SIGNATURE: Judy Gordon
DATE: April 5, 2004

Subscribed and sworn to before me by the Affiant named in the above-going Affidavit, being

personally known to me this 5th day of April, 2004

My commission expires August 11, 2007



Candy Q. Cursey
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,

Thomas M. Dorman  
Executive Director

TD/jc



**David,**

**The following certificate of service and the Order pertain to the application to raise non-recurring charges (tap-on fees, etc.) and revise language. We did not receive a similar Order regarding the purchased water adjustment.**



Emie 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.

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 adequate 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.

Done at Frankfort, Kentucky, this 23rd day of April, 2004.

By the Commission

ATTEST:

  
\_\_\_\_\_  
Executive Director

Case No. 2004-00107

## APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2004-00107 DATED April 23, 2004.

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

Non-Recurring Charges

Meter Connection/Tap-On Fees	
5/8 Inch X 3/4 Inch Meter	\$ 550.00
1 Inch Meter	750.00
1 1/2 Inch Meter	1,350.00
2 Inch Meter	1,550.00
Leak Adjustment Rate	\$2.20 per 1,000 gallons