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MAY 21 2024

LA Public Service Commission

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May 21, 2024

VIA HAND DELIVERY

Mr. Brandon Frey
Executive Secretary
Louisiana Public Service Commission
Records & Recording Division
Post Office Box 91154
Baton Rouge, Louisiana 70821-9154

RE: L&R Utilities, Inc. – *Request for Letter of Non-Opposition for Decrease in Flow-Through Rates*

Dear Secretary Frey:

I am writing to inform the Louisiana Public Service Commission (“Commission” or “LPSC”) that L&R Utilities, Inc. (“L&R”), which currently purchases water from Better Water Works water system (“BWW”), has been able to negotiate a decrease in the rate imposed by BWW, and therefore L&R is requesting to adjust its water tariff accordingly. The applicable rate decrease charged by BWW is detailed below. Please find enclosed as Exhibit 1 a copy of the resolution of the board of BWW adopting the rate decrease.

Background

L&R previously purchased water from BWW for \$3.48 per one thousand gallons. BWW’s board adopted a rate increase which became effective thirty (30) days after approval by LLA, which occurred on November 2, 2023. The new rate charged by BWW to L&R was \$8.75 per one thousand gallons.

On December 5, 2023, L&R filed with the LPSC a Request for Letter of Non-Opposition for Increase in Flow-Through Rates to increase L&R’s flow-through rate from \$3.48 to \$8.75. At the time BWW was the only option L&R had as a source of water for customers located on the south side of its system. Further, construction of its own water wells and treatment facility was cost prohibitive. On January 30, 2024, the LPSC issued a Letter of Non-Opposition authorizing the increase in the flow-through rate to \$8.75.

After L&R was notified of the flow-through increase, L&R explored various alternatives in an effort to get the flow-through price down for its customers. L&R contracted with the

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DEPT. DATE 5/22 DEPT. _____

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engineering firm of Shuler and Associates ("Shuler") to explore other options. Shuler looked at the possibility of drilling a single well and building a single treatment plant and using BWB as a secondary source of water, which would reduce the cost of the project by half. Shuler provided a cost estimate which L&R provided to a financial consulting firm, Governmental Consultants ("GA") who had helped L&R securing financing in the past. GA explored some creative financing options in an attempt to get the payments to a level that would be satisfactory but the cost was still too high.

L&R approached another water service provider and was able to get them to verbally agree to sell water to L&R for \$4.00 per thousand gallons. To tie-in to this water service provider's lines L&R would need to undertake some capital improvements to run the main lines necessary for the connection.

L&R then approached BWB and explained that if BWB could not provide L&R with a discounted bulk water purchase agreement comparable to the other water service provider then L&R would move forward with the capital project to tie-in with the other water service provider.

BWB's Board met and discussed this matter and adopted the attached resolution (Exhibit 2) authorizing a bulk water sale rate of \$4.00 per thousand gallons to L&R, effective immediately. In the interim, L&R intends to charge its customers only the amount that it is paying BWB for the water (i.e. \$4.00 per thousand gallons), unless directed otherwise by the Commission.


Request for Letter of Non-Opposition

Please note that this request is not a request for a rate increase, it is a rate decrease. Out of an abundance of caution, and in an effort to provide notice to L&R's customers, notice of this request will be published in The Advocate as well as The Ouachita Citizen attesting to this request for a decrease in the flow-through rate. Proof of such publication will be submitted to the Commission upon receipt. Accordingly, L&R is making this formal request that the Commission issue a Letter of Non-Opposition authorizing the decrease of the flow-through rate for water service to \$4.00 per one thousand gallons.

Please publish this request in the Commission's May 24, 2024 official bulletin. **Due to the urgent nature of this request, L&R respectfully requests a fifteen (15) day intervention period.** Enclosed is a \$50 check to cover the filing fee. Thank you for your assistance with this matter. Please contact me if you have any questions regarding this matter.

With every good wish, I am,

Sincerely,

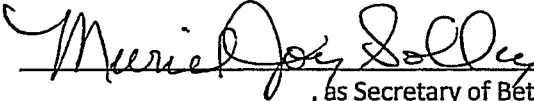


JANET S. BOLES
WILLIAM B. KIRTLAND

WBK
Enclosure

RESOLUTION

Be it resolved, that on this 9 day of May, 2024, at a duly noticed meeting held in accordance with its bylaws and at which a quorum was present, the board of directors of Better Waterworks, Inc. did consider implementing a bulk water purchase rate for L&R Utilities, Inc. and after consideration and discussion, Better Waterworks, Inc., did hereby adopt, approve and implement a bulk water purchase rate for L&R Utilities, Inc. in the amount of \$4.00 per 1,000 gallons. The new bulk water purchase water rate shall become effective immediately. The Secretary of Better Waterworks, Inc. is hereby authorized to and directed to certify to any interested party that this resolution has been duly adopted, is in full force and effect, and is in accordance with the bylaws.:


_____, as Secretary of Better Waterworks, Inc.

Hand Delivery

\$50.00 ✓ # 8472 A.P.

REVENUE - RECEIPTS CLASSIFICATION - REV 7/22CURRENT YEAR 2024PRIOR YEAR 2023**UTILITIES & MISCELLANEOUS**

<u>G/L ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>BUS AREA</u>	<u>FUND</u>	<u>COST CENTER</u>
4520010 - 1700	FEES - Citations	\$	158	Y03..Y0300	1582000000
4520011 - 1705	LATE FILING FEE (Annual Rpt)	\$	158	Y03..Y0300	1582000000
4520012 - 1710	FINES/PENALTIES-Illegal Operations	\$	158	Y03..Y0300	1582000000
4550021 - 1640	FEES-RATE APPLICATION-Increase	\$	158	Y03..Y0300	1582000000
4550027 - 1670	FEES-RATE APPLICATION-Utilities	\$ 50.00	158	Y03..Y0300	1582000000
4550028 - 1675	FEES-REHEARING APPLICATION	\$	158	Y03..Y0300	1582000000
4710071 - 1690	FAX FILING FEE	\$	158	Y03..Y0300	1582000000
4650010 - 1785	CERTIFICATION FEE	\$	158	Y03..Y0300	1582000000
4650010 - 1785	GENERAL COPYING (Cert/Permits Util)	\$	158	Y03..Y0300	1582000000
4650010 - 1785	GENERAL COPYING - CD / TRANSCRIPTS	\$	158	Y03..Y0300	1582000000
4650010 - 1785	OTHER:	\$	158	Y03..Y0300	1582000000

PAYER/CHECK INFORMATION: Boles Law Firm \$50.00 ✓ # 8472
L & R Utilities, Inc.

Prepared BY: J. PhillipsDate 5/21/2024