

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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COMMISSION

In the Matter of:

Alleged Failure of the City of Danville to Comply with  
KRS 278.160 and 278.180 and the Commission's Order  
of August 10, 1994 in Administrative Case No. 351

Case No. 2008-00176

**City of Danville's  
Proposed Agenda for Informal Conference**

The City of Danville ("Danville") asked for an informal conference in a Motion served May 28, 2008; the Commission is in the process of rescheduling that informal conference (initially set for July 23, 2008). The Commission's 7/11/08 Order (p.2 ¶5) directs that Danville "file its proposed agenda and include therein all issues that Danville wishes to discuss with Commission Staff and the parties to this proceeding." An informal conference was requested by Danville to discuss and consider how it might address concerns of the Commission and other parties and assist them in meeting their respective responsibilities and mandates. Goals of the informal conference would be to clarify the scope of the investigation, promote the settlement of issues and the efficient disposition of any issues not settled, and provide Danville with adequate notice of the issues and allegations against it. With those goals in mind, Danville proposes the following for discussion:

1. Is there any allegation that Danville's charges are not permitted by its respective contracts with the other parties? If so, what charge(s) and how does each such charge differ from what is permitted by (or how does it conflict with) the respective contract?
2. What is "the required notice to the Commission" (5/22/08 Order p.6) and what would have been deemed compliance "with the provisions of KRS Chapter 278 and of the Commission's Order of August 10, 1994 in Administrative Case No. 351" (*id.*)?
3. How did Garrard County Water Association ("GCWA") arrive at the allegation that Danville had "increased its wholesale rate from \$1.38 per 1,000 gallons to \$1.60 per 1,000 gallons" (*id.* p.5)? Does GCWA contend that the \$1.38 per 1,000 gallons is the correct rate to be charged? Why?

4. What was the billing statement to GCWA that the Commission examined, to what “rate schedule presently on file with the Commission” did it refer, and how was the “should have billed” amount calculated (*id.*)?

5. Why was Lake Village Water Association, Inc. (“Lake Village”) made a party to the proceeding? Other than in the third paragraph (p.2, where it is identified) and ordering paragraph 4 (p.7, where it is made a party), Lake Village is not mentioned in the 5/22/08 Order.

6. What (if anything) is it that another party expected Danville to do that it did not do? What led the other party to have that expectation? How did any difference between expectation and what actually occurred affect the other party? How could that effect be avoided or ameliorated in the future?

7. Are there other persons or entities whose interests might be affected by this proceeding or whose participation might assist in developing the issues or in achieving an effective resolution?

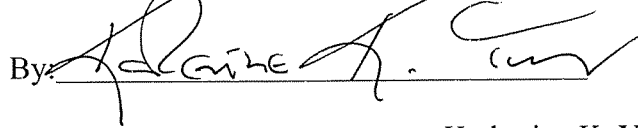
8. Does anyone take the position that Danville’s reduction of rates is not sufficient to comply with the Commission’s cease-and-desist mandate (*id.* p.7 ¶3)? Danville is aware of a letter sent to the Commission by counsel for Parksville Water District (“Parksville”) in June 2008 which appears to interpret the mandate in the same way that Danville has — but what is being mandated is not plain from the text of the Order.

9. Does another party or the Commission have any question about the implementation of the reduction in rates? The above-referenced Parksville letter complains about what Danville has done, and Danville does not know whether Parksville continues to complain or whether there are complaints or concerns by the other parties. Danville also would like to know about the timeline for this proceeding so that it can assess whether it should seek interlocutory relief from the cease-and-desist mandate.

10. Looking forward, how might Danville and the other parties interact to avoid disputes and to assist each other in realizing the mutual benefits of their respective contracts?

Respectfully submitted,

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CERTIFICATE OF FILING AND SERVICE

I hereby certify that on this the 18th day of July, 2008, the original and ten (10) copies of the foregoing were sent by hand-delivery to the Commission for filing, a conformed copy was emailed to Commission counsel Virginia W. Gregg, and a copy was sent by first-class U.S. mail for service on:

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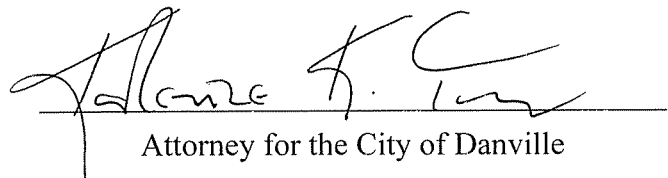
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