

**LARRY G. BRYSON, P.S.C.**

(606)878-7123

318 WEST DIXIE STREET  
LONDON, KENTUCKY 40741  
[lgbryson@windstream.net](mailto:lgbryson@windstream.net)

(606)864-8418 fax

RECEIVED

OCT 31 2016

Public Service  
Commission

October 26, 2016

Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

Re: No. 2016-00338

Dear Public Service Commission:

Please find enclosed the Original and a copy of a Response to the Order entered by the Public Service Commission dated October 11, 2016.

Very truly yours,



Larry G. Bryson

CC: W. Randall Jones

BEFORE THE KENTUCKY  
PUBLIC SERVICE COMMISSION

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OCT 31 2016

Wood Creek Water District and Its )  
Individual Commissioners, Glenn Williams, )  
Earl Bailey, and Jimmy Keller ) No. 2016-00338  
Alleged Failure to Comply with KRS )  
278.300(1) )

Public Service  
Commission

**RESPONSE TO ORDER TO SHOW CAUSE**

Comes the Wood Creek Water District and its Individual Commissioners, Glenn Williams, Earl Bailey, and Jimmy Keller, by and through Counsel, and respond to its Order to Show Cause entered October 11, 2016.

In support of this Response to Order to Show Cause, undersigned counsel states that the Wood Creek Water District and its Individual Commissioners, Glenn Williams, Earl Bailey, and Jimmy Keller, relied on the advice of counsel when it reamortized certain KRWFC loans. This Commission recognized this in its Order entered October 11, 2016 on page 2 "Wood Creek and its counsel wrote to the Commission explaining that after filing the application in Case No. 2014-00440, Wood Creek was advised that additional savings would be realized by amortizing certain KRWFC loans made earlier in the program." Bond counsel for Wood Creek Water District, W. Randall Jones, in a letter to the Commission stated that the KRWFC loan amount for the East Laurel Water District did not exceed the amount authorized by the Commission in its Orders of January 6, 2015. Due to the loan amount not exceeding the prior approval, it was the advice of the bond counsel that further approval of the Commission was not needed (or these Commissioners understood such to be the case). The Wood Creek Water District loan amount has generated a present value benefit to Wood Creek in the amount of \$142,847.30. The Wood Creek Water District did not intentionally make this error by failing to file the Motion to Amend the 2015 Order, the Wood Creek Water District was merely trying to save the tax payers money

and following the advice of their bond counsel. KRS 278.300 allows for the imposition of penalties for “willful” violations of KRS Chapter 278; there was no willful violation by any of the Commissioners of any provision of Chapter 278 or any regulation; there was no willful intent by these Commissioners to violate any Order of the Public Service Commission. This violation was purely a mistake and oversight with no deliberate intent by these Commissioners to violate any law, regulation, or order.

The Wood Creek Water District and its Individual Commissioners, Glenn Williams, Earl Bailey, and Jimmy Keller, respectfully request this Commission to not impose penalties prescribed in KRS 278.990(1) for the alleged violations of KRS 278.300.

Respectfully submitted,



Larry G. Bryson  
318 W. Dixie Street  
London, KY 40741  
(606) 878-7123  
(606) 864-8418 (fax)  
Email: [lgbryson@windstream.net](mailto:lgbryson@windstream.net)

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served by U. S. Mail, postage prepaid, to the following:

Original:

Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

Copy:

W. Randall Jones  
Rubin and Hays  
450 South Third Street  
Louisville, Kentucky 40202

This the 26<sup>th</sup> day of October, 2016.



Larry G. Bryson