

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|----------------------------------|---|-----------------|
| CHARLES AND CAROLYN POPE, ET AL. |) | |
| |) | |
| COMPLAINANTS |) | |
| |) | |
| VS. |) | CASE NO. 91-281 |
| |) | |
| NICHOLAS COUNTY WATER DISTRICT |) | |
| |) | |
| DEFENDANT |) | |

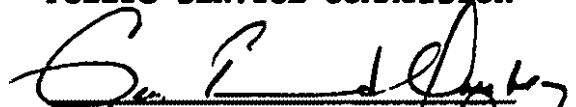
ORDER TO SATISFY OR ANSWER

Nicholas County Water District ("Nicholas County") is hereby notified that it has been named as defendant in a formal complaint filed on July 25, 1991, a copy of which is attached hereto.

Pursuant to 807 KAR 5:001, Section 12, Nicholas County is HEREBY ORDERED to satisfy the matters complained of or file a written answer to the complaint within 10 days from the date of service of this Order.

Done at Frankfort, Kentucky, this 15th day of August, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director

Commissioner

Carolina P
207 Du Sable
Harrison, Kentucky 40311
July 21, 1991

RECEIVED

JUL 25 1991

PUBLIC SERVICE
COMMISSION

91-281

Enclosed is our formal Complaint
for PSC from 6 complainants -

We are currently living in our
new home and are denied water
under the terms of the original agreement.
The other four complainants are denied
water under the original agreement and
have not signed the "Undated Agreement"
that was passed around in June.

Our new phone # is 606-484-3630

We have not signed
easement for line to go
through the front of our
property. We were never
asked.

Sincerely
Carolina P

Mr. and Mrs. Charles Pope
207 Law Boulevard
Carlisle, Kentucky 40311

RECEIVED

JUL 25 1991

PUBLIC SERVICE
COMMISSION

July 18, 1991

Public Service Commission
Frankfort, Kentucky

91-281

Re: Water Line Extension U.S. 68, Law Subdivision

To Whom It May Concern:

Before the Public Service Commission, complainants Charles and Carolyn Pope, 207 Law Boulevard, Mitchell and Karen Hamilton, 1298 Maysville Road, ~~Wagon and Carl Bailey~~ ~~411 West 2nd Street~~, Patrick and Tracey Pope, 307 Mary Lane, Carlisle, Kentucky 40311. Defendant Charles K. Watkins, Chairman, Nicholas County Water District, P.O. Box 304, Carlisle, Kentucky 40311.

The Nicholas County Water District (NCWD) agreed to extend its waterline located on U.S. 68 West of Carlisle near the property of Dr. Allen Hamon as follows: In a westerly direction parallel to U.S. 68 to the Koury Property; also at the intersection of Law Boulevard and U.S. 68, the waterline extension then runs parallel to and with Law Boulevard to the intersection of Mary Lane; then runs parallel to and with Mary Lane. The NCWD specifically agreed to install a fire hydrant at the intersection of U.S. 68 and Law Boulevard on the Howard Lot and another fire hydrant at the intersection of Law Boulevard and Mary Lane on the Pope Lot. Based on this agreement, the plans were submitted to and approved by the Kentucky Division of Water DW# 0910314-90-004, including the aforementioned fire hydrants. Additionally, the NCWD agreed to install a fire hydrant on Mr. Bell's farm provided the cost of such fire hydrant was paid for by Mr. Bell.

Except for the cost of Mr. Bell's fire hydrant as set out in the paragraph above, the Law Estates users and the NCWD agreed that the cost of the Project, estimated by the NCWD to be \$ 12,000 to \$13,000, would be paid for by the Law Estate users, providing however, in no event should Law Estate users cost for such project exceed \$15,000, as evidenced by the NCWD's letter of September 24, 1990. (The "1990 Agreement") The Law Estate users cost was \$1,000 each, including a \$350.00 tap fee.

NCWD Chairman stated, "no bids" would be accepted for

the project. Earnie Davis of London, Kentucky would complete the project in 10 days once approved by Division of Water. There would be no contract with Mr. Davis because the bid would be higher, than the actual cost. Bobby Clines, 950 Author Pike, Carlisle, Kentucky and Frank Terrell, 627 Miller Station Road, Carlisle, Kentucky 40311 wished to place a bid but Charles K. Watkins stated he would not speak to anyone about bids.

The NCWD agreed for a period of ten years from date of the agreement that it would not furnish water service to any person who desires a lateral extension or hookup on the extended line who is not a party of the original agreement until such person has paid to the Law Estate users his/her pro rate share of the Law Estate user's cost in the installation of the extended line. Provided, however, that in no event would the reimbursement of Law Estates user's expensed reduce the Law Estates user's cost below \$350.00. Yet, NCWD chairman gave a lateral extension to Jack Robertson, who had stated he did not want to be a part of the Project. Later Mr. Watkins stated that the Project cost more because Carolyn Pope had complained to PSC and NCWD would have to go by PSC guidelines.

The Law Estate users have fully performed their obligation under the 1990 Agreement. Mr. Charles K. Watkins has refused to place meters for Charles and Carolyn Pope, Mitchell and Karen Hamilton and Patrick and Tracey Pope. Law Estate users who sign a new agreement, the "Undated Agreement"; circulated by NCWD chairman have had water service connected immediately. They have stated that was the only way he would turn on their water. The undated Agreement does not comply with the terms of the 1990 Agreement. The Undated Agreement does not provide for the installation of fire hydrants nor does it provide for reimbursement of Law Estate users cost.

The proposed amendments to the 1990 Agreement as set out in the Undated Agreement are without consideration and inconsistent with the parties extension. It appears that several aspects of the Project did not fully comply with applicable law, including regulations of Kentucky Public Service Commission, but this should not and cannot be legally used by the NCWD to retroactively amend the agreement on which construction of the project was based. There is absolutely no basis for continued refusal to connect all Law Estate users, apparently in an attempt to secure execution of the unenforceable Undated Agreement.

We ask the PSC (a) to give full effect to the 1990 Agreement, (b) that the NCWD be ordered to immediately connect all Law Estate users, (c) that the PSC fully investigate other aspects of the Project, including, but not limited to, the bid process, discrimination as to rates charged for additional users of the extended line, review of the NCWD's compliance with required books and records and (d) that the PSC generally review the NCWD's compliance with the applicable provisions of Chapter 74 and 278 of the Kentucky

Revised statutes and all rules and regulations promulgated thereunder. Further if the PSC does find violations of applicable Statutes, rules and regulations, we ask the PSC to impose applicable penalties under KRS 278.990, if justified.

Sincerely,

Charles Pope
Charles Pope

Mitchell Hamilton
Mitchell Hamilton

~~Karen Dobby~~

Patrick Pope
Patrick Pope

July 21, 1990.

Carolyn Pope
Carolyn Pope

Karen Hamilton
Karen Hamilton

~~Karen Dobby~~

Tracey Pope
Tracey Pope

Page 2

ROBERTSON FARM

was given Free WATERLING BY Charles Watkins House

COUNTRY ROAD

| | | | | |
|---|---------------------------------------|-----------------------------------|---------------|---|
| SNAPP FARM HOME Stated they could not afford at this time. | | | | Paid \$1,000 PATRICK POPE HOME |
| Home (May have ed. Watkins privately) | | | | \$0 VACANT |
| BELL FARM Home (May have ed. Watkins privately) | | | | Paid \$1,000 Herrington HOME |
| CHANDLER FARM HOME Paid \$1,000 | | | | \$0 VACANT |
| Paid \$1,000 HOWARD HOME | Paid \$1,000 Buchanan House | Paid \$1,000 Dailey LOT | \$0 VACANT | Paid \$1,000 CHARLES POPE HOUSE |

MARY LANE

| | |
|---------------------------------------|------------------------------|
| Paid \$1,000 Gilliland Home | |
| \$0 VACANT | |
| Paid \$1,000 Bailey HOME | |
| \$0 VACANT | Paid \$1,000 Buchanan Lot |
| \$0 VACANT | |

LAW BOULEVARD

| |
|--------------------------------------|
| Paid \$1,000 BUCHANAN LOT |
| Paid \$1,000 WAGONER HOME |
| Paid \$1,000 HAMILTON HOME |

VACANT

| |
|-----------------------------------|
| Paid \$1,000 KOURY FARM |
|-----------------------------------|

Beginning of Hook on ... U.S. Highway 68 ... Lane ... Highway A.Y.

NICHOLAS COUNTY WATER DISTRICT

Box 304
Carlisle, Kentucky 40311

1990 Action Plan

September 24, 1990

Law Estates Water Committee
ATTN: Karen Dailey
411 W. Second Street
Carlisle, KY 40311

Dear Karen:

As per our previous telephone conversation, should the extension you currently have planned exceed \$15,000 the Water district will underwrite any amount over \$15,000.

Sincerely,

Charles K. Watkins
Charles K. Watkins
Chairman

NICHOLAS COUNTY WATER DISTRICT

Box 304
Carlisle, Kentucky 40311

*Law Estate Landowners
are now signing this
and their water
is being turned
on. CP 6/17/91*

Undated

AGREEMENT

Whereas:

The Nicholas County Water District did enter into a verbal agreement with the undersigned potential users to construct a 4" water line in an area known as Law Estates and whereas these water users do desire to obtain water services from the above Water District and the said District did agree to furnish water under certain terms, conditions, and stipulations.

Whereas, Carolyn Pope did originate a complaint to the Public Service Commission which investigated the complaint and advised by letter, May 22, 1991, the District must comply with the provisions of Public Service Commission Regulation, 807 KAR 5:066, Section 12, which states the District shall provide 50' per customer and the customer shall pay the remainder of the cost. Also, the customer shall pay a tap fee:

The total cost of the project excluding tap fees was \$20,728.56 on 4.37 per ft. The District under this agreement would pay $4.37 \times 50' = 218.5 \times 14 \text{ users} = \3059 . We were advised by letter the 14 users would pay no more than \$14,000 (\$1000 each) which we are willing to accept leaving the District and the County to pay \$6728.56 which exceeds the minimum contribution as proposed by the Public Service Commission by \$3669.56.

It is agreed as a consideration for the customers not paying their full share under the guidelines of the Public Service Commission Regulations 807 KAR 5:066, Section 12, the District will also refund under the provision of same mentioned Public Service Act requirement rather than that previously verbally agreed to.

The District makes this agreement with the knowledge that the customers are not paying tap fees and the customers recognize this doesn't provide for hydrants of any nature to be installed in the subdivision, which were originally agreed to be paid for by Russell Bell and the other to be shared by certain individuals. Should these be desired, you may advise or they will be deleted from the system. Proper valves are provided to flush the water for quality.

Should you agree to this Agreement, please advise by signing one copy and returning it to the Nicholas County Water District, whereby we will attempt to get approval from the Public Service Commission to finalize this project and place the facility in service.

NICHOLAS COUNTY WATER DISTRICT

BY _____
CHAIRMAN