

CASE

NUMBER:

99-096

INDEX FOR CASE: 99-096
NORTH SHELBY WATER COMPANY
Complaints - Service
OF GARRY LEE AND MARY SUE RUTLEDGE

IN THE MATTER OF GARRY LEE AND MARY SUE RUTLEDGE VS. NORTH
SHELBY WATER COMPANY

SEQ NBR	ENTRY DATE	REMARKS
0001	03/17/99	Application.
0002	03/19/99	Acknowledgement letter.
0003	03/29/99	Order to Satisfy or Answer; info due 4/8
M0002	04/15/99	GARRY & MARY SUE RUTLEDGE CITIZEN-INFORMATION TO FILE WITH COMPLAINT
M0001	04/19/99	DONALD PRATHER NORTH SHELBY WATER-ANSWER TO COMPLAINT
0004	04/28/99	Data Request Order, response due 5/10/99.
M0003	05/10/99	DONALD PRATHER NORTH SHELBY WATER-EXTENSION OF TIME TO SATISFY INFORMATION REQUEST OF 4/28/
0005	05/19/99	Order granting extension until 6-1-99 to file response to 4-28-99 Order.
M0004	06/02/99	WARNER BROUGHMAN-RESPONSE TO ORDER OF APRIL 28,99
M0005	06/02/99	WARNER BROUGHMAN-RESPONSE TO ORDER OF APRIL 28,99
M0006	06/03/99	DONALD PRATHER NORTH SHELBY WATER-RESPONSE TO ORDER OF 4/28/99 AND PURSUANT TO EXTENSION GR
0006	07/29/99	Order scheduling 9/14 hearing; info due 8/30
M0007	08/05/99	GARY & MARY RUTLEDGE-REQUEST FOR COMPLAINT TO BE DROPPED
0007	08/17/99	FINAL ORDER DISMISSING COMPLAINT



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 99-096
NORTH SHELBY WATER COMPANY

I, Stephanie Bell, Secretary 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 following by U.S. Mail on August 17, 1999.

See attached parties of record.

Stephanie Bell

Secretary of the Commission

SB/sa
Enclosure

Darrell Dees
Manager
North Shelby Water Company
P. O. Box 97
Bagdad, KY. 40003

Garry Lee Rutledge
Mary Sue Rutledge
1484 Anderson Lane
Shelbyville, KY. 40065

Honorable Donald T. Prather
Attorney for North Shelby Water
Mathis, Riggs & Prather, P.S.C.
500 Main Street
P.O. Box 1059
Shelbyville, KY. 40066 1059

Hon. Robert Myles
Matthews, Myles & Smith
310 Main Street
Shelbyville, KY. 40066

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GARRY LEE AND MARY SUE RUTLEDGE)
)
) COMPLAINANTS)
)
 v.) CASE NO. 99-096
)
) NORTH SHELBY WATER COMPANY)
)
) DEFENDANT)

ORDER

Complainants having advised the Commission in writing that the Defendant has satisfied the Complaint to their satisfaction and the Commission finding that no issues remain in dispute and that this proceeding should be closed,

IT IS HEREBY ORDERED that:

1. The Complaint is dismissed.
2. This proceeding is closed and shall be removed from the Commission's docket.

Done at Frankfort, Kentucky, this 17th day of August, 1999.

By the Commission

ATTEST:


Executive Director

August 4, 1999

RECEIVED
AUG 05 1999
PUBLIC SERVICE
COMMISSION

Ms. Helen Helton, Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

Re: 99-096

Dear Ms. Helton:

This is to request that the complaint with the above case number be dropped. The North Shelby Water District has installed our water line as agreed.

Thank you for your assistance in getting this water line installed.

Sincerely,

Gary and Mary Sue Rutledge

Gary Sue Rutledge
Mary Sue Rutledge



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940


July 29, 1999

To: All parties of record

RE: Case No. 99-096

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,


Stephanie Bell
Secretary of the Commission

SB/sa
Enclosure

Darrell Dees
Manager
North Shelby Water Company
P. O. Box 97
Bagdad, KY 40003

Garry Lee Rutledge
Mary Sue Rutledge
1484 Anderson Lane
Shelbyville, KY 40065

Honorable Donald T. Prather
Attorney for North Shelby Water
Mathis, Riggs & Prather, P.S.C.
500 Main Street
P.O. Box 1059
Shelbyville, KY 40066 1059

Hon. Robert Myles
Matthews, Myles & Smith
310 Main Street
Shelbyville, KY 40066

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GARRY LEE AND MARY SUE RUTLEDGE)
)
COMPLAINANTS)
)
v.) CASE NO. 99-096
)
NORTH SHELBY WATER COMPANY)
)
DEFENDANT)

ORDER

The Commission, on its own motion, HEREBY ORDERS that:

1. A formal hearing in this matter shall be held on September 14, 1999, at 9:00 a.m., Eastern Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, and continuing until completed.
2. Within 30 days of the date of this Order, each party shall file an original and 8 copies of the following with the Commission and serve upon a copy upon all parties of record:
 - a. List of the names and addresses of all witnesses that it intends to call as a witness at the formal hearing.
 - b. A summary of the expected testimony of each witness.
 - c. A copy of all documents and exhibits that it intends to introduce into evidence at the scheduled hearing.

3. To be timely filed with the Commission, a document must be received by the Secretary of the Commission within the specified time for filing except that any document shall be deemed timely filed if it has been transmitted by United States express mail, or by other recognized mail carriers, with the date the transmitting agency received said document from the sender noted by the transmitting agency on the outside of the container used for transmitting, within the time allowed for filing.

4. Service of any document or pleading shall be made in accordance with Administrative Regulation 807 KAR 5:001, Section 3(7), and Kentucky Civil Rule 5.02.

5. As the Complainants bear the burden of proof in this matter, their failure to appear at the formal hearing and to present proof in support of their complaint may result in the dismissal of their complaint with prejudice.

6. The failure of Defendant to appear at the formal hearing may result in the entry of an Order granting the Complainants' requested relief.

Done at Frankfort, Kentucky, this 29th day of July, 1999.

By the Commission

ATTEST:


Executive Director

MATHIS, RIGGS & PRATHER, P.S.C.

ATTORNEYS AT LAW

500 MAIN STREET · P.O. BOX 1059

SHELBYVILLE, KENTUCKY 40066-1059

C. LEWIS MATHIS, JR.
T. SHERMAN RIGGS
DONALD T. PRATHER

HAROLD Y. SAUNDERS
OF COUNSEL

TELEPHONE: (502) 633-5220
FAX: (502) 633-0667

June 1, 1999

RECEIVED

Public Service Commission
730 Schenkel Lane
P.O. Box 615
Frankfort, KY 40602

JUN 03 1999

PUBLIC SERVICE
COMMISSION

99-096

Re: North Shelby Water Company/Anderson Lane (Rutledge)
Extension Application

Gentlepersons:

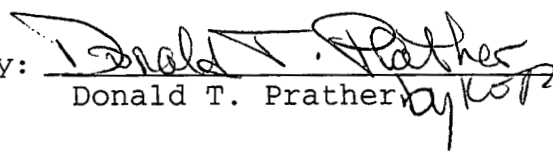
Enclosed please find the original and four copies of a Response to Public Service Commission's Order for filing in the above captioned matter.

Please contact me if you have any questions regarding this matter.

Sincerely,

MATHIS, RIGGS & PRATHER, P.S.C.

By:


Donald T. Prather

DTP/kr

Enclosures

cc: Darrell Dees, Manager, North Shelby
Sandy Broughman, Engineer, North Shelby

2WTR\NS\PSC5.DTP

RECEIVED

JUN 03 1999

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter Of:

GARRY LEE AND MARY SUE RUTLEDGE)

COMPLAINANTS)

vs)

CASE NO. 99-096)

NORTH SHELBY WATER COMPANY)

DEFENDANT)

RESPONSE
TO PUBLIC SERVICE COMMISSION'S ORDER

** ** * * *

Comes North Shelby Water Company (hereinafter "North Shelby"), by counsel, and files its Answer to the Commission's Order dated April 28, 1999, and pursuant to extension of time granted by P.S.C. Order dated May 19, 1999.

1. A copy of the preliminary construction plans for the Anderson Lane extension are being filed with the Commission by separate cover letter from North Shelby's engineer, Warner A. Broughman, III. The Company did not perform a new estimate at the time the parties signed the extension application in August, 1998.

The previous water line extension estimate, dated March 17, 1998 is attached hereto as "Exhibit A". Please note there is no cost included for highway crossings since at that time North Shelby's engineer mistakenly believed the water main was on the west side of Hebron Road, therefore not requiring a road bore under Hebron Road, and that the line would be run on the northeast side of Anderson Lane where the digging would be the cheapest and easiest, therefore eliminating the Anderson Lane road bore. North Shelby does not generally obtain a new estimate unless the old estimate is more than six months old or construction plans have significantly changed, neither of which is applicable to this case.

2. A full and complete answer to this question requires an understanding of the entire course of events of this extension.

(a) The initial inquiry for this service was prior to August 18, 1997. The matter was discussed at the August 18, 1997 Board Meeting, when it was concluded that the developer would have to pay the line enlargement charge for all lots fronting on the existing Anderson Lane line, and the developer would have to construct a minimum six inch line on Anderson Lane from the end of the existing line to mid-way through the last subdivision lot. Since this would be a dead-end line, and in view of the extensive growth which had occurred the four inch line along Hebron Road from which this line would extend, the Board directed the engineer to check the hydraulics of the project to determine whether or not the subdivider will be required to loop the system.

(b) This development was discussed again at the

September 15, 1997 Board meeting as follows:

"Broughman reported the hydraulics study indicated that, without completing the loop and assuming full development of all lots in area, each customer in area would experience a loss of 20 psi during peak use times - the customers would notice this pressure drop and the company would be burdened with significant numbers of customer complaints. With a completed loop, the pressure during peak time would only drop about three psi. In both cases the residual pressure would stay above PSC minimum of 30 psi.

Engineer recommended developer complete the loop. Extensive discussion ensued regarding how helpful it would be if the route for the new Louisville line was decided so that North Shelby would know whether to up size this line or not, but that the decision could not be made within the near future. The Board also discussed what requirements would be imposed for approving the plat. The Board voted to require the line up size charge be paid for the frontage (both sides) of the development on the existing line, and that the developer must construct a 6" water main from the existing line half way across the last lot (no. 8). Relying upon the fact the development will meet PSC minimum 30 psi. requirement, the Board voted not to require the developer to complete the loop at this time. If the development does not proceed immediately, developer looping might be required at a later time. The loop will need to be done eventually either by company or developer."

(c) The initial water line extension estimate was performed on March 17, 1998 showing a total construction cost estimate of \$31,400.00 plus \$4,300.00 non-construction costs for a total estimated project cost of \$35,700.00. The Rutledges were advised that their portion of this cost would be \$17,114.00 for their subdivision line. In addition, the Rutledges were advised that they would pay \$4,346.00 for the line enlargement charge.

(d) The Rutledges indicated they believed this cost to be outrageous. They discharged their realtor, Duncan LeCompte (who is President of North Shelby), stating they were in no hurry, and since they could not sell their land, they were going to farm it.

(e) By September 16, 1998, the Rutledges had hired a new realtor, were now in a big rush to get their line installed, signed the extension application attached hereto as "Exhibit B", and paid their money. The language in paragraph 4 thereof was underlined when the Rutledges signed same.

(f) The extension application was mailed to the Commission on October 13, 1998, was approved by the Commission on November 20, 1998, and was received by North Shelby on December 12, 1998. During the period from August, 1998 to December, 1998, North Shelby's Board discussed the wisdom of up sizing the subject line to either an eight inch or a twelve inch at North Shelby's expense, and looping this subdivision line at North Shelby's expense by extending the line northwest approximately 1000 feet to connect with another line.

(g) At the November, 16, 1998 Board meeting, following management and engineer recommendations, the Board voted as part of the Rutledge project to replace the existing Anderson Lane line, upsize the Rutledge line, and complete looping the Anderson Lane line by building the remaining line from the Rutledge Subdivision across the creek some 900 to 1000 feet, all to be eight-inch line. The Peters and Nethery easements became necessary.

(h) On December 1, 1998, another estimate was performed by Broughman, a copy of which is attached hereto as "Exhibit C". Since this estimate was performed for contractors, it does not contain any non-construction expenses. When these are added, the new total project estimate would have been more than \$45,400.00.

The December 1, 1998 estimate shows 900 additional feet of larger eight inch pipe and eight inch valves, the additional cost to be paid by the Company. The cost of concrete and crushed stone had increased by \$100.00 respectively, and the site videotaping of \$400.00 was added to protect the Company from complaints about construction clean-up. These additional costs could not be contemplated at the time of the original March, 1998 estimate since North Shelby did not know the Rutledges would take their property off the market, nor did it know the Rutledges would be litigation-prone necessitating the site videotaping.

(i) At the January 18, 1999 Board meeting, it was reported that the road bore subcontractor had cut a telephone line and had not been seen since. Also, North Shelby's engineer had previously become aware that the existing main was on the west side of Hebron Road, thus necessitating the first road bore. Due to difficulty in obtaining the Nethery easement on the north side of Anderson Lane, the line had also been switched to partly on the south side of Anderson Lane, thus necessitating the second road bore. Decisions on which side of the road to run a water line are based upon minimizing road bores, running a line where easements can be obtained, and running the line where the digging will be the easiest, all designed to minimize construction costs.

(j) It was reported at the February 15, 1999 Board meeting that North Shelby was waiting on one easement (Peters) to begin construction. At this time North Shelby erroneously assumed

it had the required existing easements on the south side of Anderson Lane because of the existing water main.

(k) The following report was given at the Board's April 19, 1999 meeting:

"The Rutledges have filed a formal P.S.C. Complaint. The Company's Answer has been filed. In order to complete loop, Company needs easements either from Paul Nethery on north side of road, or from Melvin Marsh and Harvey Searce on south side of road. Although Company has an existing four-inch line on south side of Anderson Lane across Marsh and Searce, former Manager Allen apparently never obtained easements. Nethery, on north side, has requested complete exemption of his property from any construction rebates, and also a free meter. Marsh is allegedly willing to grant an easement on south side of road - Searce has not yet been approached. Road bore has been completed across Hebron Road ending on south side of Anderson Lane. Danny Hatton has been hired as substitute contractor since Flat Creek contractor will not finish Flat Creek in time to do this project. Company will purchase pipe in order to avoid sales tax which will help keep the project in budget. Contractor Hatton to begin construction as soon as he finishes North Country extension, which is an older extension request."

3. Engineer Broughman is filing with the Commission a copy of the map showing North Shelby's existing distribution system in the area surrounding and including the Rutledges' property on Anderson Lane. As detailed in North Shelby's Answer to Question 4, North Shelby essentially had no easements along Anderson Lane in the subject area.

4a. North Shelby's distribution system was of marginal capacity in this area prior to the Rutledges' subdivision. It was not adequate to handle the Rutledges' 15-lot subdivision, especially after existing lots in the area are built out. When the Rutledges initially inquired about service, the Board stated in its September 15, 1997 Minutes that the developer might be required to

pay for a loop if the development was not built immediately. The Rutledges did not sign their extension application with the Company until one year later. Several months later North Shelby decided looping was necessary, but the Company did not require the Rutledges to pay for the looping since they had not been initially required to pay for it. The Peters easement, required to construct the loop, was signed March 1, 1999.

Additionally, the existing water main from Hebron Road to the Rutledges' property is inadequate in size to serve a 15-lot subdivision, especially given the increasing requests for fire hydrants by Shelby County residents. North Shelby decided to install, as part of the Rutledge project but at North Shelby's expense, a larger water main on the north side of Anderson Lane in order to remedy this situation. This would also eliminate disruption of service to existing customers from the undersized main on the south side of Anderson Lane. In order for the Company to rebuild this line, it was necessary to either obtain an easement from Nethery on the north side of the road or from Scarce and Marsh on the south side of the road.

4b. It was not known that any easements would be required to serve the Rutledges' subdivision at the time the parties signed the extension application in August, 1998, and therefore no costs were included in the initial estimate. See preceding answer to Question 4a.

Additionally, North Shelby has seldom, if ever, had to

pay for any easements and therefore no cost is generally budgeted on the initial estimate for acquiring easements. North Shelby has always asked subdividers to attempt to obtain the easement themselves, in order to minimize easement acquisition costs. North Shelby has been fortunate that these initial efforts have generally worked. If the utility makes the initial contact, it has been North Shelby's experience that land owners want monetary or other compensation. North Shelby has been able to save its members and/or developers a great deal of money by utilizing this process. Of course, if the developers are unsuccessful in obtaining the easement, then North Shelby obtains the easement as required by Commission regulation.

4c. The Peters and Nethery easements were prepared by the engineer November 20, 1998. The Peters easement was obtained by the Company on March 1, 1999. Unlike the other easements, this easement made sense for the Company to obtain it directly since a water line was to be constructed across the Peters' property where no line existed and at no cost to the Peters. People generally sign such easements without resistance.

The Company did not pursue the Nethery easement at that time because the Manager was under the impression it was not needed because North Shelby would tie into its existing four inch line on the south side of Anderson Lane. It should be noted that the proposed route of this line has switched repeatedly from one side of Anderson Lane to the other.

During March or April of 1999, North Shelby's management and attorney were unable to locate existing easements for North Shelby's existing line on Anderson Lane. Former manager Allen apparently never obtained easements, or if he did obtain them, they were not recorded, both in violation of Company policy. One short easement across part of Searce's property was found recorded.

At some point letters were sent to the Rutledges with the request that they contact their neighbors and see if they would sign easements, all in accordance with the Company's past practice and PSC regulations. The engineer also believed one or more were related to the Rutledges. The Rutledges apparently sent these easements on to Public Service Commission without bothering to try to get them signed.

North Shelby intensified its efforts to obtain the Marsh and Searce easements on the south side of Anderson Lane. Management attempted to contact Searce first and left a number of messages on Searce's answering machine, but these calls were never returned. Management also made numerous visits to the Searce residence but they did not answer the door. One time management passed by the house and noticed a car there, immediately turned around to return to the house, but the car was already gone and there was no answer at the door.

Efforts then shifted back to the north side of the road with attempts to get an easement from Nethery. Nethery declined to sign the easement unless he was granted complete exemption of his property from any construction rebates and also given a free meter.

North Shelby was not able to meet these demands since it is prohibited from giving a free meter to one customer and not another due to discrimination, and North Shelby would not be acting in the best interest of its members if it gave up rebate rights since North Shelby was contributing significant funds to construct this extension (completing the loop and rebuilding the existing line on Anderson Lane).

When Nethery failed to sign an easement, efforts shifted once again to the south side of Anderson Lane. Management mailed letters to Searce and Marsh enclosing the easements and requesting that they be signed and returned to the Company. When these letters did not work, management approached Marsh in person first because it was believed Marsh was more agreeable and it would be easier to convince Searce to sign an easement if Marsh had already done so. A special easement contract was necessary in order to obtain the Marsh easement, which requires North Shelby to install a fire hydrant. The cost of this fire hydrant will be between \$1,000.00 and \$3,000.00.

Once the Marsh easement was in hand, the Searces were finally located and signed their easement.

5. The Commission should ignore the statement that North Shelby must submit the extension application to the Commission for approval. The existence of duplicate files and misfiling in the attorney's office led the undersigned to erroneously conclude the extension application had not been approved, when in fact the extension application was approved November 20, 1998, but merely

misfiled. A copy of the approved extension application is attached hereto as "Exhibit B".

Respectfully submitted,

Mathis, Riggs & Prather, P.S.C.

By: 

Donald T. Prather
P.O. Box 1059
Shelbyville, Kentucky 40066-1059
Phone: (502) 633-5220
Fax: (502) 633-0667
Attorney for North Shelby Water Company

CERTIFICATE OF SERVICE

It is certified that a true and correct copy of the foregoing Response to Public Service Commission's Order was served by U.S. Mail, first class, postage prepaid, this 1st day of June, 1999 upon the following:

Robert Myles, Esq.
P.O. Box 1176
Shelbyville, Kentucky 40066-1176
Attorney for Garry Lee Rutledge and Mary Sue Rutledge

Garry Lee Rutledge
Mary Sue Rutledge
1485 Anderson Lane
Shelbyville, Kentucky 40065



Donald T. Prather

WATERLINE EXTENSION ESTIMATE

Client Name GARRY & HARY SUE RUTLEDGE Date Prepared 3/17/98
 Client Address 1485 ANDERSON LANE Client Phone _____
SHELBYVILLE, KY 40065
 Water Utility NORTH SHELBY Utility Phone 747-8942
 Location of Extension ANDERSON LANE
 Size of Main 6-INCH Number of Tap-ons NONE
 Length of New Waterline 4900 Feet
 Special Problems - (gas line, railroad, highway, etc.) DEAD END -- COULD CONNECT
THRU TO OTHER END OF ANDERSON LANE

Construction Estimate	Unit	Cost	Totals
length of pipe <u>6-INCH</u>	<u>4900 LF</u>	<u>x 6⁰⁰</u>	<u>= 29,400⁻</u>
length of pipe	_____	x _____	= _____
number of valves	<u>3</u>	x <u>400⁰⁰</u>	= <u>1200⁻</u>
number of blowoffs	<u>1</u>	x <u>400⁰⁰</u>	= <u>400⁻</u>
number of fire hydrants	<u>NONE</u>	x _____	= _____
length of highway crossing	_____	x _____	= _____
length of stream crossing	_____	x _____	= _____
tons of crushed stone	<u>20</u>	x <u>10</u>	= <u>200⁻</u>
tons of asphalt	_____	x _____	= _____
cubic yards of concrete	<u>2</u>	x <u>100</u>	= <u>200⁻</u>
_____	_____	x _____	= _____
_____	_____	x _____	= _____

Total Construction \$ 31,400⁰⁰

Division of Water Processing Fee
 Engineering
 Inspection
 Legal \$100 per easement + 2%

\$ 150⁰⁰
\$ 3450⁰⁰
\$ 500⁰⁰
\$ 200⁰⁰
\$ _____

Total Non-Construction \$ 4300

c:\WATFORM.CHIP\watform

Total Project \$ 35,700⁰⁰

EXHIBIT A

RECEIVED
OCT 21 1998
PUBLIC SERVICE
COMMISSION

EXTENSION APPLICATION
FOR
NORTH SHELBY WATER COMPANY

APPLICANTS (S): Garry and Mary Sue Rutledge

ADDRESS: 1484 Anderson Lane, Shelbyville, KY 40065

NOTE: All Applicants must sign

AREA TO BE SERVED: new development along Anderson Lane

SERVICE APPLIED FOR: Distribution Line Extension: XXXXX
Distribution Flush Hydrant: _____
Distribution Upgrading: _____
Distribution Relocation: _____
Other (describe): _____

ESTIMATES: Estimated Water Line Size: 6-inch
Estimated Project Cost: \$17,114.00
Estimated Footage: 2349
Other: _____

EXHIBITS: Map or plat showing streets,
lots, buildings, proposed
service route, and easements,
a copy of which is attached
hereto and made a part hereof,
and marked "Exhibit A" for
identification

Other (describe) Cost Estimate
CONSTRUCTION COMMENTS: North Shelby to construct 2551 LF;
Rutledge to pay for construction of 2349
L.F.

AGREEMENT:

1. Applicant applies for a water line extension upon the terms and conditions set forth in this contract.
2. Applicant agrees to provide without cost to the Company any properly signed recordable easements required by the Company for the installation and maintenance of the Company's water transmission or distribution lines, existing and future; provided such lines cross Applicant's real estate and are either adjacent and parallel to the right of way for a public roadway or are adjacent and parallel to applicant's property boundary.
3. The water facilities constructed hereunder shall at all times be owned and maintained by the Company. The Company shall have the right to extend the facilities without compensation to Applicant or the consent of Applicant. The Company shall have the right to make service connections thereto without the consent of the Applicant, and subject to the Company's construction rebate agreement as hereinafter provided.
4. Upon approval by the Company's engineer, manager, and board of directors, the manager and engineer will design and make a cost estimate of the project. The Applicant will, prior to construction, make a deposit to the Company's escrow construction account of the entire estimated project cost. If the actual construction cost exceeds the estimate, Applicant will promptly pay the difference. If the actual construction cost is less than the estimate, the Company will refund to Applicant any overpayment plus interest at the rate of 6% per annum on the amount of the excess deposit for the period beginning 90 days after completion of all construction, installation and servicing work in connection with the project and ending with the date of payment of refund.
5. Applicant acknowledges that the project cost will include the Company's reasonable supervision, engineering, legal and accounting charges attributable to this project.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

NOV 20 1998

PURSUANT TO CHAPTER 100, SECTION 9 (1)
BY Stephan B. ...
SECRETARY OF THE COMMISSION

EXHIBIT B

at the time of their application for the meter connection, which is

6. All projects having estimated construction costs exceeding \$10,000.00, shall be bid unless waived by the Applicant. All smaller projects, and all projects where bidding is waived by the Applicant, will be constructed by the Company or the Company's contractor.

The Applicant: XXXX Waives the right to have this project bid
If the estimated cost exceeds
\$10,000.00, desires that this project be bid

7. Applicant grants Company a perpetual easement over Applicant's land to survey, plan, install, construct, maintain, repair, and remove existing and future water pipelines, appurtenant facilities, and meters, the right to read those meters, and the right of ingress and egress for these purposes over Applicant's property.

8. All construction, labor and materials must be in accordance with the Company's specifications.

9. The facilities will be constructed in accordance with "Exhibit A." If there is no "Exhibit A" to this contract, the extension will be constructed within the Company's easements upon Applicant's property. Under no circumstances will construction begin on Applicant's property until Applicant has granted Company all necessary and proper recorded easements.

10. The Company agrees that it will perform its obligations under this contract with reasonable diligence, and that construction will begin as soon as reasonably possible. In the event that the construction called for by this contract cannot begin within 6 months from the date of this contract, then either the Company or the Applicant may terminate this agreement by written notice to the other at which time the Company will refund the deposit less any cost incurred.

11. This agreement shall be valid and binding on the Company only when executed by its President. Any deposit made with this application prior to such signature shall not be construed as an acceptance hereof.

12. The Company shall determine the total cost of the water main extension (exclusive of the tap on fee). The cost shall be contributed equally by those Applicants desiring service on the main extension. Each Applicant (customer) will also be required to pay the Company's approved "Tap-on fee" for a meter connection to the main extension.

For a period of ten years after the project has been completed and placed in service, each additional customer directly connected to that portion of the water main constructed under this agreement (not including customer connections to further extensions or branches thereof) will be required to contribute to the cost of that extension based on a recomputation of each customer's contribution as set out above. The Company must refund to those customers that have previously contributed to the cost of each main extension that amount necessary to reduce their contribution to the currently calculated amount for each customer connected to that extension, provided, however, that the total amount returned shall not exceed the original construction cost, without interest. All customers directly connected to each main extension for a ten year period after it is placed in service are to contribute equally to the cost of the construction of the water main extension. In addition, each customer must pay the approved tap on fee applicable at the time of their application for the meter connection, which is not refundable and may be changed during the refund period. After the ten year refund period expires, any additional customer applying for service on each main extension must be connected for the amount of the approved tap on fee only, and all or any part of the construction cost not refunded within said ten year period shall become the property of the Company. All refunds shall be made on an annual basis and without interest.

NOV 20 1998

PURSUANT TO 807 KAN STAT
SECTION 9(11)

BY: Stephan D Bell
SECRETARY OF THE COMMISSION

13. If this application is for extension of water service to a subdivision (a subdivision is presumed by the existence of a plat), the Applicant agrees that no refund will be paid for any customer located within that subdivision, it being expected that the subdivider will recoup the cost of this extension in the sale of the subdivision lots. The Applicant further agrees that the construction contribution for each additional customer not located within said subdivision, will be computed using the number of planned customers in that subdivision. (For example, if there are 19 single-family lots in the subdivision and a new customer across the road but not in the subdivision applies for service from the water main extension, the construction contribution from that new customer will be calculated by dividing the original construction cost by 20.)

14. If the Company has contributed company funds to assist in this extension, each Applicant hereby assigns to the Company that Applicant's construction rebate refund to the extent necessary to first repay the Company's construction contribution.

15. If Applicant's account becomes delinquent, Applicant agrees to pay the Company's attorney fees and costs incurred in collecting that account. Any delinquent account will accrue Twelve Percent (12%) interest. Venue for any action filed on this contract shall be in Shelby County, Kentucky.

16. Any notice given hereunder shall be deemed sufficient if in writing and sent by certified mail to Company at P.O. Box 97, Bagdad, Kentucky 40003, and to Applicant at 1484 Anderson Lane
Shelbyville, KY 40065

17. By signature hereon, Applicant acknowledges that he/she has read the foregoing, received a copy thereof, agrees to be bound by same, and acknowledges that this is the entire agreement between the parties and that there are no oral agreements between the parties.

Date: 9/16/98 APPLICANT: Garry & Mary Sue Rutledge
 BY: Garry R. Rutledge Mary Sue Rutledge
 Title: Landowner
 Additional Applicants, if any (sign on back if necessary)

Date: _____ NORTH SHELBY WATER COMPANY
 BY: Duncan LeCompte
 Duncan LeCompte, President

* * *

FOR COMPANY USE ONLY:

Received this: _____ day of: _____, 19: _____
 from Applicant for Escrow Construction _____
 Completed Cost of Project _____
 Balance due from (to) Applicant _____

Completed Footage of Project _____
 Company Contribution (if any) _____

extapp3.wdb

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
 EFFECTIVE

NOV 20 1998

PURSUANT TO KRS 199.001
 SECTION 9 (1)
 BY: Stephen D. Bell
 SECRETARY OF THE COMMISSION

BIDDER agrees to perform all the work described in the CONTRACT DOCUMENTS for the following unit prices or lump sum:

NOTE: BIDS shall include sales tax and all other applicable taxes and fees

BID SCHEDULE

**NORTH SHELBY WATER COMPANY
Anderson Lane Extension**

Item No.	Description	Amount	Unit	Unit Price	Total Price
1.	8-inch PVC Pipe, Complete in Place	5,800	L.F.	\$ <u>6.50</u>	\$ <u>37,700.00</u>
2.	8-inch Gate Valve & Box Complete in Place	4	EACH	\$ <u>500.00</u>	\$ <u>2,000.00</u>
3.	Blowoff, Complete in Place	1	EACH	\$ <u>400.00</u>	\$ <u>400.00</u>
4.	Class C Concrete, Complete in Place	2	C.Y.	\$ <u>150.00</u>	\$ <u>300.00</u>
5.	Crushed Stone, Complete in Place	20	TONS	\$ <u>15.00</u>	\$ <u>300.00</u>
6.	Site Videotaping	1	EACH	\$ <u>400.00</u>	\$ <u>400.00</u>

TOTAL BID \$ 41,100.00

Respectfully submitted,

Type or Print Name and Title: Engineers Estimate

Signature: _____

Date: 12/1/98

Address: _____

ATTEST: WAB

Employer ID Number: _____

EXHIBIT C

Warner A. Broughman III
and Associates

3161 Custer Dr.

Lexington, Kentucky 40517

(606) 271-1778

May 28, 1999

RECEIVED
JUN 02 1999
PUBLIC SERVICE
COMMISSION

Public Service Commission
P.O. Box 615
Frankfort, KY 40602

re: Rutledge vs. North Shelby
Case No. 99-096

To the COMMISSION:

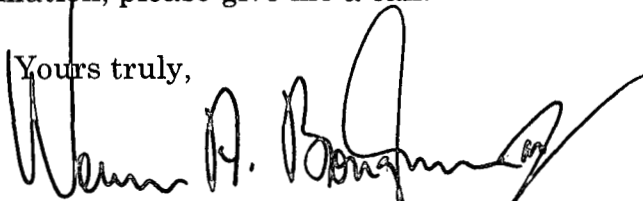
The North Shelby Water Company has asked me to respond to items 1 & 3 of your Order dated April 28, 1999.

1. The preliminary estimate was prepared in March of 1998. No plans were prepared as part of the estimate, but rather an aerial photo and a copy of the Complainant's Preliminary Draft of Deerfield Farms were used to prepare the estimate. Five copies of the estimate, aerial photo and draft are attached.

3. Five copies of North Shelby's distribution system map are enclosed. No lines of the existing system were present on the Complainant's property at the beginning of this process.

If I can provide additional information, please give me a call.

Yours truly,



Warner A. Broughman, III, P.E.

Encl.

Cc: Don Prather, Attorney
Duncan LeCompte, President
Gerry & Mary Rutledge

WATERLINE EXTENSION ESTIMATE

Client Name GARRY & MARY SUE RUTLEDGE Date Prepared 3/17/98
 Client Address 1485 ANDERSON LANE Client Phone _____
SHELBYVILLE, KY 40065
 Water Utility NORTH SHELBY Utility Phone 747-8942
 Location of Extension ANDERSON LANE
 Size of Main 6-INCH Number of Tap-ons NONE
 Length of New Waterline 4900 Feet
 Special Problems - (gas line, railroad, highway, etc.) DEAD END -- COULD CONNECT
THRU TO OTHER END OF ANDERSON LANE

Construction Estimate	Unit	Cost	Totals
length of pipe	<u>6-INCH</u>	<u>4900 LF</u>	<u>x 6⁰⁰ = 29,400⁻</u>
length of pipe			<u>x _____ = _____</u>
number of valves	<u>3</u>	<u>400⁰⁰</u>	<u>x _____ = 1200⁻</u>
number of blowoffs	<u>1</u>	<u>400⁰⁰</u>	<u>x _____ = 400⁻</u>
number of fire hydrants	<u>NONE</u>		<u>x _____ = _____</u>
length of highway crossing			<u>x _____ = _____</u>
length of stream crossing			<u>x _____ = _____</u>
tons of crushed stone	<u>20</u>	<u>10</u>	<u>x _____ = 200⁻</u>
tons of asphalt			<u>x _____ = _____</u>
cubic yards of concrete	<u>2</u>	<u>100</u>	<u>x _____ = 200⁻</u>
			<u>x _____ = _____</u>
			<u>x _____ = _____</u>

Total Construction \$ 31,400⁰⁰

Division of Water Processing Fee
 Engineering
 Inspection
 Legal \$100 per easement + 2%

\$ 150⁰⁰
 \$ 3450⁰⁰
 \$ 500⁰⁰
 \$ 200⁰⁰
 \$ _____

Total Non-Construction \$ 4300

Total Project \$ 35,700⁰⁰

ANDERSON LANE
N S W Co

May 16, 1997



221
WATER
1951 148

1A MAP 30
ROBERT CARPENTER
08 218 251

4 12 1 2

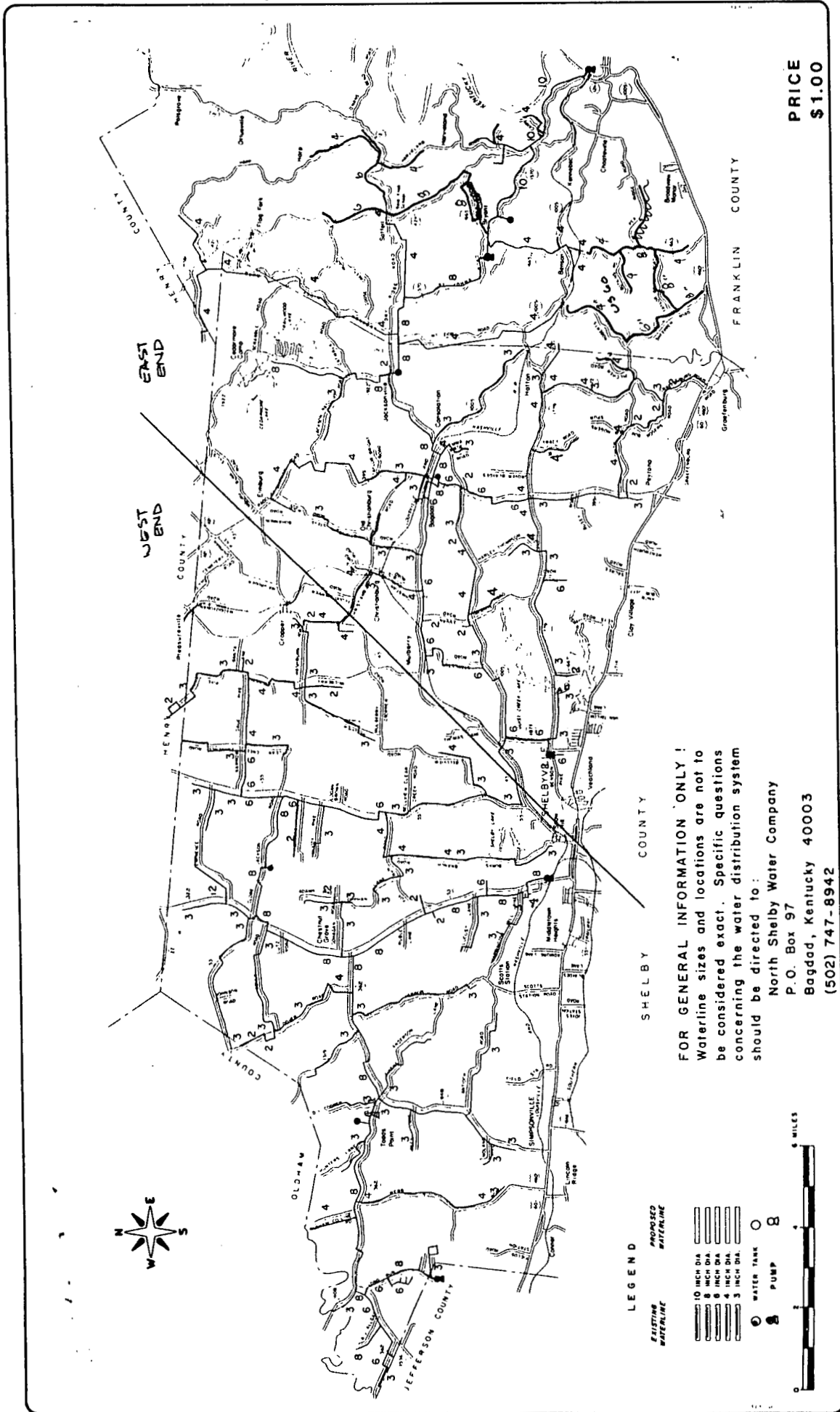


Figure 1
DISTRIBUTION SYSTEM

North Shelby Water Company

Warner A. Broughman III
and Associates
LEXINGTON KENTUCKY

FOR GENERAL INFORMATION ONLY!
Waterline sizes and locations are not to be considered exact. Specific questions concerning the water distribution system should be directed to:

North Shelby Water Company
P.O. Box 97
Bagdad, Kentucky 40003
(502) 747-8942

PRICE
\$1.00



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

May 19, 1999

To: All parties of record

RE: Case No. 99-096

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,
Stephanie Bell

Stephanie Bell
Secretary of the Commission

SB/sh
Enclosure

Darrell Dees
Manager
North Shelby Water Company
P. O. Box 97
Bagdad, KY 40003

Garry Lee Rutledge
Mary Sue Rutledge
1484 Anderson Lane
Shelbyville, KY 40065

Honorable Donald T. Prather
Attorney for North Shelby Water
Mathis, Riggs & Prather, P.S.C.
P.O. Box 1059
Shelbyville, KY 40066 1059

Hon. Robert Myles
Matthews, Myles & Smith
310 Main Street
Shelbyville, KY 40066

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GERRY LEE AND MARY SUE RUTLEDGE)	
)	
COMPLAINANTS)	
v.)	CASE NO. 99-096
)	
NORTH SHELBY WATER COMPANY)	
)	
DEFENDANT)	

O R D E R

North Shelby Water Company ("NSWC") has moved for an extension of time in which to submit its response to the Commission's April 28, 1999 Order. The Commission finds that the motion should be granted.

IT IS THEREFORE ORDERED that NSWC's motion is granted and its response to the Commission's April 28, 1999 Order is now due June 1, 1999.

Done at Frankfort, Kentucky, this 19th day of May, 1999.

By the Commission

ATTEST:


Executive Director

MATHIS, RIGGS & PRATHER, P.S.C.

ATTORNEYS AT LAW

500 MAIN STREET · P.O. BOX 1059

SHELBYVILLE, KENTUCKY 40066-1059

C. LEWIS MATHIS, JR.
T. SHERMAN RIGGS
DONALD T. PRATHER

HAROLD Y. SAUNDERS
OF COUNSEL

TELEPHONE: (502) 633-5220
FAX: (502) 633-0667

May 7, 1999

RECEIVED

MAY 10 1999

PUBLIC SERVICE
COMMISSION

Public Service Commission
730 Schenkel Lane
P.O. Box 615
Frankfort, KY 40602

Re: North Shelby Water Company/Anderson Lane (Rutledge)
Extension Application

99-096


Gentlepersons:

Enclosed please find the original and four copies of a Motion
for Continuance for filing in the above captioned matter.

Please contact me if you have any questions regarding this
matter.

Sincerely,

MATHIS, RIGGS & PRATHER, P.S.C.

By: 
Donald T. Prather

DTP/kr

Enclosures

cc: Robert Myles, Esq.

Darrell Dees, Manager, North Shelby

Sandy Broughman, Engineer, North Shelby

2WTR\NS\PSC4.DTP

COMMONWEALTH OF KENTUCKY

RECEIVED

BEFORE THE PUBLIC SERVICE COMMISSION

MAY 10 1999

PUBLIC SERVICE
COMMISSION

In The Matter Of:

GARRY LEE AND MARY SUE RUTLEDGE

COMPLAINANTS

vs

NORTH SHELBY WATER COMPANY

DEFENDANT

)
)
)
)
) CASE NO. 99-096
)
)
)
)
)
)
)

MOTION FOR EXTENSION OF TIME

** ** * * *

Comes North Shelby Water Company (hereinafter "North Shelby"), by counsel, and moves the Commission for a twenty day extension of time to satisfy the information request contained in the Commission's Order dated April 28, 1999.

The grounds for this motion are that compliance with the Order in the original short time frame will be unduly burdensome upon North Shelby Water Company and constitute an unnecessary expense upon the members, in light of the progress which has been made towards installation of the water line. North Shelby has made progress towards completing this project. The immediate service need for Elite Homes has been satisfied by setting a meter on April 29, 1999 which is temporarily connected to an existing four-inch water line. A new contractor has been obtained (the old contractor finally agreed he could not timely construct the project and has stepped aside), which

contractor is scheduled to begin construction as soon as he finishes a small extension in North Country Subdivision (which pre-dates the Rutledge Application). Pipe is scheduled to be dropped on site during the week of April 12, 1999 and Mr. Rutledge today provided the lot number where he would prefer the pipe be dropped. One of the three easements has been acquired. The second of the three easements is expected to be acquired today. The third easement has not been acquired, however, the property owner verbally advised Gary Rutledge that he would sign the easement and the only hold up is that the property owner, Mr. Scarce, has failed to return phone calls from North Shelby requesting an opportunity to meet with him. *Finally, the schedule of the undersigned makes it impossible to respond any sooner.*

Respectfully submitted,

Mathis, Riggs & Prather, P.S.C.

By: 

Donald T. Prather
P.O. Box 1059
Shelbyville, Kentucky 40066-1059
Phone: (502) 633-5220
Fax: (502) 633-0667
Attorney for North Shelby Water Company

CERTIFICATE OF SERVICE

It is certified that a true and correct copy of the foregoing Motion for Extension of Time was served by U.S. Mail, first class, postage prepaid, this 7th day of May, 1999 upon the following:

Robert Myles, Esq.
P.O. Box 1176
Shelbyville, Kentucky 40066-1176
Attorney for Garry Lee Rutledge and Mary Sue Rutledge



Donald T. Prather



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

April 28, 1999

To: All parties of record

RE: Case No. 99-096

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/hv
Enclosure

Darrell Dees
Manager
North Shelby Water Company
P. O. Box 97
Bagdad, KY 40003

Garry Lee Rutledge
Mary Sue Rutledge
1484 Anderson Lane
Shelbyville, KY 40065

Honorable Donald T. Prather
Attorney for North Shelby Water
Mathis, Riggs & Prather, P.S.C.
P.O. Box 1059
Shelbyville, KY 40066 1059

Hon. Robert Myles
Matthews, Myles & Smith
310 Main Street
Shelbyville, KY 40066

4. Refer to NSWC's Answer at paragraph 5.

a. Explain the necessity of any easements that are required to serve Complainants.

b. Was it known that these easements would be required to serve Complainants at the time the parties signed the Extension Application? If not, explain why the necessity of these easements was unforeseen and their costs not included in the original estimate for providing service.

c. Describe all attempts made by NSWC to obtain these easements as required by Commission regulation.

5. Refer to NSWC's Answer at paragraph 1. Provide a copy of the approved Extension Application. Clarify NSWC's statement that it must submit the Extension Application to the Commission for approval.

Done at Frankfort, Kentucky, this 28th day of April, 1999.

By the Commission

ATTEST:


Executive Director

99-096

EXTENSION APPLICATION
FOR
NORTH SHELBY WATER COMPANY

APPLICANTS (S) : Garry and Mary Sue Rutledge

ADDRESS: 1484 Anderson Lane, Shelbyville, KY 40065

NOTE: All Applicants must sign

AREA TO BE SERVED: new development along Anderson Lane

SERVICE APPLIED FOR: Distribution Line Extension: XXXXX
Distribution Flush Hydrant: _____
Distribution Upgrading: _____
Distribution Relocation: _____
Other (describe): _____

RECEIVED
APR 15 1999
PUBLIC SERVICE
COMMISSION

ESTIMATES: Estimated Water Line Size: 6-inch
Estimated Project Cost: \$17,114.00
Estimated Footage: 2349
Other : _____

EXHIBITS: Map or plat showing streets, lots, buildings, proposed service route, and easements, a copy of which is attached hereto and made a part hereof, and marked "Exhibit A" for identification

Other (describe) Cost Estimate
CONSTRUCTION COMMENTS: North Shelby to construct 2551 LF;
Rutledge to pay for construction of 2349
L.F.

AGREEMENT:

1. Applicant applies for a water line extension upon the terms and conditions set forth in this contract.
2. Applicant agrees to provide without cost to the Company any properly signed recordable easements required by the Company for the installation and maintenance of the Company's water transmission or distribution lines, existing and future; provided such lines cross Applicant's real estate and are either adjacent and parallel to the right of way for a public roadway or are adjacent and parallel to applicant's property boundary.
3. The water facilities constructed hereunder shall at all times be owned and maintained by the Company. The Company shall have the right to extend the facilities without compensation to Applicant or the consent of Applicant. The Company shall have the right to make service connections thereto without the consent of the Applicant, and subject to the Company's construction rebate agreement as hereinafter provided.
4. Upon approval by the Company's engineer, manager, and board of directors, the manager and engineer will design and make a cost estimate of the project. The Applicant will, prior to construction, make a deposit to the Company's escrow construction account of the entire estimated project cost. If the actual construction cost exceeds the estimate, Applicant will promptly pay the difference. If the actual construction cost is less than the estimate, the Company will refund to Applicant any overpayment plus interest at the rate of 6% per annum on the amount of the excess deposit for the period beginning 90 days after completion of all construction, installation and servicing work in connection with the project and ending with the date of payment of refund.
5. Applicant acknowledges that the project cost will include the Company's reasonable supervision, engineering, legal and accounting charges attributable to this project.

at the time of their application for the meter connection, which is

6. All projects having estimated construction costs exceeding \$10,000.00, shall be bid unless waived by the Applicant. All smaller projects, and all projects where bidding is waived by the Applicant, will be constructed by the Company or the Company's contractor.

The Applicant: XXXX Waives the right to have this project bid
 If the estimated cost exceeds \$10,000.00, desires that this project be bid

7. Applicant grants Company a perpetual easement over Applicant's land to survey, plan, install, construct, maintain, repair, and remove existing and future water pipelines, appurtenant facilities, and meters, the right to read those meters, and the right of ingress and egress for these purposes over Applicant's property.

8. All construction, labor and materials must be in accordance with the Company's specifications.

9. The facilities will be constructed in accordance with "Exhibit A." If there is no "Exhibit A" to this contract, the extension will be constructed within the Company's easements upon Applicant's property. Under no circumstances will construction begin on Applicant's property until Applicant has granted Company all necessary and proper recorded easements.

10. The Company agrees that it will perform its obligations under this contract with reasonable diligence, and that construction will begin as soon as reasonably possible. In the event that the construction called for by this contract cannot begin within 6 months from the date of this contract, then either the Company or the Applicant may terminate this agreement by written notice to the other at which time the Company will refund the deposit less any cost incurred.

11. This agreement shall be valid and binding on the Company only when executed by its President. Any deposit made with this application prior to such signature shall not be construed as an acceptance hereof.

12. The Company shall determine the total cost of the water main extension (exclusive of the tap on fee). The cost shall be contributed equally by those Applicants desiring service on the main extension. Each Applicant (customer) will also be required to pay the Company's approved "Tap-on fee" for a meter connection to the main extension.

For a period of ten years after the project has been completed and placed in service, each additional customer directly connected to that portion of the water main constructed under this agreement (not including customer connections to further extensions or branches thereof) will be required to contribute to the cost of that extension based on a recomputation of each customer's contribution as set out above. The Company must refund to those customers that have previously contributed to the cost of each main extension that amount necessary to reduce their contribution to the currently calculated amount for each customer connected to that extension, provided, however, that the total amount returned shall not exceed the original construction cost, without interest. All customers directly connected to each main extension for a ten year period after it is placed in service are to contribute equally to the cost of the construction of the water main extension. In addition, each customer must pay the approved tap on fee applicable at the time of their application for the meter connection, which is not refundable and may be changed during the refund period. After the ten year refund period expires, any additional customer applying for service on each main extension must be connected for the amount of the approved tap on fee only, and all or any part of the construction cost not refunded within said ten year period shall become the property of the Company. All refunds shall be made on an annual basis and without interest.

13. If this application is for extension of water service to a subdivision (a subdivision is presumed by the existence of a plat), the Applicant agrees that no refund will be paid for any customer located within that subdivision, it being expected that the subdivider will recoup the cost of this extension in the sale of the subdivision lots. The Applicant further agrees that the construction contribution for each additional customer not located within said subdivision, will be computed using the number of planned customers in that subdivision. (For example, if there are 19 single-family lots in the subdivision and a new customer across the road but not in the subdivision applies for service from the water main extension, the construction contribution from that new customer will be calculated by dividing the original construction cost by 20.)

14. If the Company has contributed company funds to assist in this extension, each Applicant hereby assigns to the Company that Applicant's construction rebate refund to the extent necessary to first repay the Company's construction contribution.

15. If Applicant's account becomes delinquent, Applicant agrees to pay the Company's attorney fees and costs incurred in collecting that account. Any delinquent account will accrue Twelve Percent (12%) interest. Venue for any action filed on this contract shall be in Shelby County, Kentucky.

16. Any notice given hereunder shall be deemed sufficient if in writing and sent by certified mail to Company at P.O. Box 97, Bagdad, Kentucky 40003, and to Applicant at 1484 Anderson Lane Shelbyville, KY 40065

17. By signature hereon, Applicant acknowledges that he/she has read the foregoing, received a copy thereof, agrees to be bound by same, and acknowledges that this is the entire agreement between the parties and that there are no oral agreements between the parties.

Date: 9/16/98

APPLICANT: Garry & Mary Sue Rutledge
By: Garry R. Rutledge & Mary Sue Rutledge
Title: Landowner

Additional Applicants, if any (sign on back if necessary)
9/16/98 Danella Dees myr

Date: _____

NORTH SHELBY WATER COMPANY
BY: Duncan LeCompte, President

* * *

FOR COMPANY USE ONLY:

Received this: _____ day of: _____, 19: _____
from Applicant for Escrow Construction _____
Completed Cost of Project _____
Balance due from (to) Applicant _____

Completed Footage of Project _____
Company Contribution (if any) _____

Att. G. Smith

NORTH SHELBY WATER

P.O. BOX 97
HIGHWAY 395
BAGDAD, KENTUCKY 40003
TELEPHONE (502) 747-8942

4-6-99

While REVIEWING The Anderson Lane project for THE Public Service Commission, Our Attorney feels we need AN Additional Easement before construction begins. Enclosed ARE two Easements, WE will need for you to get ONE of the two SIGNED and RETURNED to us so TH'S project CAN get started.

Sincerely,
Wendell Drees

DAREC/DRES
MGR
NSW

Post-it [®] Fax Note	7671	Date	4-13-99	# of pages	3
To	Ginny Smith	From	GARY PUTTAGE		
Comp/Dept.	Public Service	Cn.			
Phone #		Phone #	502-633-4757		
Fax #	502-564-1582	Fax #			

H.G. Smith

NORTH SHELBY WATER COMPANY

RIGHT-OF-WAY EASEMENT

KNOW ALL MEN BY THESE PRESENTS:

That in consideration of One Dollar (\$1.00) and other good and valuable consideration paid to Harvey Searce and Geraldine Searce (hereinafter 'GRANTOR'), by North Shelby Water Company (hereinafter 'GRANTEE'), the receipt of which is hereby acknowledged, the GRANTOR does hereby grant, bargain, sell, transfer, and convey unto the GRANTEE, its successor and assigns, a perpetual easement with the right to erect, construct, and install, and thereafter use, operate, inspect, repair, maintain, replace and remove pipelines with necessary and convenient appurtenances for the transportation of water over, across, and through the land of the GRANTOR, which land was acquired by GRANTOR by (circle one) Deed, Will, Inheritance, or Grant from _____ and which land is more particularly described in that last recorded deed(s) in the chain of title recorded in Deed Book _____, Page _____, in the Shelby County Clerk's Office, together with the right of ingress and egress over the adjacent lands of the GRANTOR, his successors and assigns, for the purpose of this easement.

This easement shall be 30 feet in width. The centerline of the easement shall be the water line as actually constructed, which centerline is tentatively described as follows:

Beginning at a point in GRANTOR'S east property line common with Hebron Road, said point being 45 feet south of the centerline of Anderson Lane; thence 45 feet from and parallel to the centerline of said road, a distance of approximately 1,150 feet to a point in GRANTOR'S west property line common with Rutledge, said point being 45 feet south of the centerline of said road.

The GRANTEE covenants to maintain the easement in good repair so that no unreasonable damage will result from its use to the adjacent land of the GRANTOR, his successors and assigns. The GRANTOR reserves the full right to use and enjoy the property except as will interfere with the stated purpose of this easement.

The grant and other provisions of this easement shall constitute a covenant running with the land for the benefit of the GRANTEE, its successors and assigns.

IN WITNESS WHEREOF, the GRANTOR has executed this instrument this _____ day of _____, 199__.

Harvey Searce, GRANTOR

STATE OF _____
SCT. _____
COUNTY OF _____

Geraldine Searce, GRANTOR

I, _____, a Notary Public in and for the County and State aforesaid, do hereby certify that on the _____ day of _____, 199__, personally appeared before me Harvey Searce and Geraldine Searce the GRANTOR in the foregoing grant, and acknowledge the signing thereof to be their voluntary act for the uses and purposes set forth.

My Commission Expires: _____

This instrument was prepared by
Mathis, Riggs, & Prather, P.S.C.
P.O. Box 1059
Shelbyville, KY 40066-1059
By: _____
Donald T. Prather
Project 97-29

Att: G. Smith

NORTH SHELBY WATER COMPANY
RIGHT-OF-WAY EASEMENT

KNOW ALL MEN BY THESE PRESENTS:

That in consideration of One Dollar (\$1.00) and other good and valuable consideration paid to Paul Nethery and _____ (hereinafter 'GRANTOR'), by North Shelby Water Company (hereinafter 'GRANTEE'), the receipt of which is hereby acknowledged, the GRANTOR does hereby grant, bargain, sell, transfer, and convey unto the GRANTEE, its successor and assigns, a perpetual easement with the right to erect, construct, and install, and thereafter use, operate, inspect, repair, maintain, replace and remove pipelines with necessary and convenient appurtenances for the transportation of water over, across, and through the land of the GRANTOR, which land was acquired by GRANTOR by (circle one) Deed, Will, Inheritance, or Grant from _____ and which land is more particularly described in that last recorded deed(s) in the chain of title recorded in Deed Book 142, Page 464, in the Shelby County Clerk's Office, together with the right of ingress and egress over the adjacent lands of the GRANTOR, his successors and assigns, for the purpose of this easement.

This easement shall be 30 feet in width. The centerline of the easement shall be the water line as actually constructed, which centerline is tentatively described as follows:

Beginning at a point in GRANTOR'S east property line common with Hebron Road, said point being 45 feet north of the centerline of Anderson Lane; thence 45 feet from and parallel to the centerline of said road, a distance of approximately 2,000 feet to a point in GRANTOR'S west property line common with Rutledge, said point being 45 feet north of the centerline of said road.

The GRANTEE covenants to maintain the easement in good repair so that no unreasonable damage will result from its use to the adjacent land of the GRANTOR, his successors and assigns. The GRANTOR reserves the full right to use and enjoy the property except as will interfere with the stated purpose of this easement.

The grant and other provisions of this easement shall constitute a covenant running with the land for the benefit of the GRANTEE, its successors and assigns.

IN WITNESS WHEREOF, the GRANTOR has executed this instrument this _____ day of _____, 199__.

Paul Nethery, GRANTOR

STATE OF _____
SCT. _____, GRANTOR
COUNTY OF _____

I, _____, a Notary Public in and for the County and State aforesaid, do hereby certify that on the _____ day of _____, 199__, personally appeared before me Paul Nethery and _____, the GRANTOR in the foregoing grant, and acknowledge the signing thereof to be their voluntary act for the uses and purposes set forth.

My Commission Expires: _____

This instrument was prepared by:
Mathis, Riggs, & Praher, P.S.C.
P.O. Box 1059
Shelbyville, KY 40066-1059
By: _____
Donald T. Praher
Project 97-29

D. Zuther CONSULTANT-29 Anderson Lane

Post-It [®] Fax Note	7671	Date	# of pages
To	BARRELL DEES	From	DANDEY B
Co./Dept.		Co.	
Phone #		Phone #	

Case # 99-096 Garry/Mary Sue Rutledge
Att: Jonett Kinney

RUTLEDGE FARMS 04-97
GARRY LEE OR MARY SUE RUTLEDGE
PH. 502-633-4757
1484 ANDERSON LN.
SHELBYVILLE KY 40065

21-131
830
51108216

586

8/28 1998

Pay to the
Order of

North Shelby Water Co - \$ 4329.⁵⁶/₁₀₀
Four thousand and three hundred and twenty-nine dollars ⁵⁶/₁₀₀

REPUBLIC
BANK & Trust
Company
Shelbyville, Kentucky
Member FDIC

CP

Memorandum # 15 Water

Mary Sue Rutledge

⑆083001314⑆ 51108216⑆ 0586 ⑆0000432956⑆

RUTLEDGE FARMS 04-97
GARRY LEE OR MARY SUE RUTLEDGE
PH. 502-633-4757
1484 ANDERSON LN.
SHELBYVILLE, KY 40065

21-131
830
51108216

587

8/28 1998

Pay to the
Order of

North Shelby Water Co. \$ 1712.⁰⁰/₁₀₀
Seventeen hundred and twelve dollars and ⁰⁰/₁₀₀

REPUBLIC
BANK & Trust
Company
Shelbyville, Kentucky
Member FDIC

CP

Memorandum # 15 Water

⑆083001314⑆ 51108216⑆ 0586 ⑆000171200⑆

MATHIS, RIGGS & PRATHER, P.S.C.

ATTORNEYS AT LAW

500 MAIN STREET · P.O. BOX 1059
SHELBYVILLE, KENTUCKY 40066-1059

C. LEWIS MATHIS, JR.
T. SHERMAN RIGGS
DONALD T. PRATHER

HAROLD Y. SAUNDERS
OF COUNSEL

TELEPHONE: (502) 633-5220
FAX: (502) 633-0667

April 16, 1999

RECEIVED

APR 19 1999

PUBLIC SERVICE
COMMISSION

Ms. Helen Helton, Executive Director
Public Service Commission
730 Schenkel Lane
P.O. Box 615
Frankfort, KY 40602


Re: Garry Lee and Mary Sue Rutledge vs North Shelby Water
Company
Administrative Case No. 99-096

Dear Ms. Helton:

Enclosed for filing of record is the original and ten copies
of North Shelby Water Company's Answer in the captioned case.

Sincerely,

MATHIS, RIGGS & PRATHER, P.S.C.

By: 
Donald T. Prather

DTP/kr
Enclosures
cc: w/enc: Garry L. and Mary Sue Rutledge
Duncan LeCompte, President
Darrell Dees
Sandy Broughman

2WTR\NS\PSC2.DTP

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
APR 19 1999
PUBLIC SERVICE
COMMISSION

In The Matter Of:

GARRY LEE AND MARY SUE RUTLEDGE)	
)	
COMPLAINANTS)	
)	
vs)	CASE NO. 99-096
)	
)	
NORTH SHELBY WATER COMPANY)	
)	
DEFENDANT)	

ANSWER

** ** * * *

The above-named Defendant for its Answer to the Complaint in the proceeding, respectfully states:

1. This Defendant admits that the Complainants paid the estimate for their water line installation in August of 1998, but denies that they were told that the line would be installed within three weeks thereafter. Such a time frame is impossible due to the need to obtain and record proper easements, bid the project if required, design the project, have the plans approved by the Division of Water, and submit the Extension Application to Public Service Commission for approval. The approved Extension Application was not received by Defendant until December 14, 1998.

2. Defendant did not receive a copy of the Order to Satisfy or Answer until same was faxed to the undersigned on April 13,

1999. This Defendant intends to satisfy the Complaint, but cannot do so within the ten day time frame set forth in the Order, for reasons more fully set forth herein.

3. The Defendant is proceeding to begin construction on the northwest portion of the line where the Defendant obtained the required easement in March. It is anticipated construction will begin on or about April 16, 1999 or the week of April 19, 1999. The Contractor is Danny Hatton. The Company will be purchasing the pipe and delivering it to the scene within the same time frame. The road bores were completed some time ago.

4. It appears that the line may cost more to install than estimated, and pursuant to Paragraph 4 of the Extension Application the Complainants may be required to pay this additional cost. It is too early to tell how much or whether in fact such cost overruns will be incurred. The Company is purchasing the pipe itself to avoid sales tax in the hope of keeping the project within original budget.

5. The required easements on the south-east end of the line have not been obtained and therefore the project cannot be completely constructed until they are obtained. Although Defendant is required by law to obtain the easements, Complainants are also required to pay for the entire cost of such easements. It has been the historical experience of the Defendant that applicants are much more likely to be able to obtain easements quickly and without cost than the water company, since neighbors will tend to sign easements to help their neighbors, but when the water company asks for the

easement, people often ask for compensation. The undersigned has discussed this matter with Gary Rutledge and he has cooperated by making an important contact with Paul Nethery. The Defendant is now following up on that contact by visiting Mr. Nethery to discuss the exaction location of the line. If Mr. and Mrs. Nethery sign their easement no other easements will be needed.

WHEREFORE, the Defendant prays the Complaint be dismissed as satisfied once construction has been completed.

Mathis, Riggs & Prather, P.S.C.

By: 

Donald T. Prather
P.O. Box 1059
Shelbyville, Kentucky 40066-1059
Phone: (502) 633-5220
Fax: (502) 633-0667
Attorney for North Shelby Water
Company

CERTIFICATE OF SERVICE

It is certified that a true and correct copy of the foregoing Answer was served by U.S. Mail, first class, postage prepaid, this 16th day of April, 1999 upon the following:

Garry Lee Rutledge
Mary Sue Rutledge
1485 Anderson Lane
Shelbyville, Kentucky 40065



Donald T. Prather



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

March 29, 1999

Darrell Dees
Manager
North Shelby Water Company
P. O. Box 97
Bagdad, KY. 40003

Garry Lee Rutledge
& Mary Sue Rutledge
1484 Anderson Lane
Shelbyville, KY. 40065

RE: Case No. 99-096

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

Stephanie Bell

Stephanie Bell
Secretary of the Commission

SB/sa
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GERRY LEE AND MARY SUE RUTLEDGE)	
)	
COMPLAINANTS)	
v.)	CASE NO. 99-096
)	
NORTH SHELBY WATER COMPANY)	
)	
DEFENDANT)	

ORDER TO SATISFY OR ANSWER

North Shelby Water Company ("NSWC") is hereby notified that it has been named as defendant in a formal complaint filed on March 17, 1999, a copy of which is attached hereto.

Pursuant to 807 KAR 5:001, Section 12, NSWC 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.

Should documents of any kind be filed with the Commission in the course of this proceeding, the documents shall also be served on all parties of record.

Done at Frankfort, Kentucky, this 29th day of March, 1999.

By the Commission

ATTEST:


Executive Director

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:

Carry Lee and Mary Sue Rutledge)
(Your Full Name))
COMPLAINANT)

VS.

North Shelby Water Co.)
(Name of Utility))
DEFENDANT)

RECEIVED
MAR 17 1999
PUBLIC SERVICE
COMMISSION

case
99-006

COMPLAINT

The complaint of Carry Lee Rutledge respectfully shows:
(Your Full Name)

(a) Mary Sue Rutledge
(Your Full Name)

1484 Anderson Ln. Shelbyville, Ky. 40065
(Your Address)

(b) North Shelby Water Co.
(Name of Utility)

P.O. Box 97
Bagdad, Ky.
(Address of Utility)

(c) That: paid for water line installation in August
(Describe here, attaching additional sheets if necessary,

1998. We were told lines would be installed in
the specific act, fully and clearly, or facts that are the reason

3 weeks
and basis for the complaint.)

Continued on Next Page

Formal Complaint

_____ vs. _____

Page 2 of 2

Wherefore, complainant asks installation of water line.
(Specifically state the relief desired.)

Dated at Shelbyville, Kentucky, this 16 day
(Your City)

of March, 1999
(Month)

Darryl Lee Rutledge
Mary Sue Rutledge
(Your Signature)

(Name and address of attorney, if any)



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

March 19, 1999

Darrell Dees
Manager
North Shelby Water Company
P. O. Box 97
Bagdad, KY. 40003

Garry Lee Rutledge
& Mary Sue Rutledge
1484 Anderson Lane
Shelbyville, KY. 40065

RE: Case No. 99-096
NORTH SHELBY WATER COMPANY
(Complaints - Service) OF GARRY LEE AND MARY SUE RUTLEDGE

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received March 17, 1999 and has been assigned Case No. 99-096. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,
Stephanie Bell

Stephanie Bell
Secretary of the Commission

SB/jc

BJ

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:

Garry Lee and Mary Sue Rutledge
(Your Full Name)
COMPLAINANT

VS.

North Shelby Water Co.
(Name of Utility)
DEFENDANT

RECEIVED
MAR 17 1999
PUBLIC SERVICE
COMMISSION

case

99-096

COMPLAINT

The complaint of Garry Lee Rutledge
(Your Full Name) respectfully shows:

(a) Mary Sue Rutledge
(Your Full Name)

1484 Anderson Ln. Shelbyville, Ky. 40065
(Your Address)

(b) North Shelby Water Co.
(Name of Utility)
P.O. Box 97
Bagdad, Ky.
(Address of Utility)

(c) That: paid for water line installation in August
(Describe here, attaching additional sheets if necessary,

1998. We were told lines would be installed in
the specific act, fully and clearly, or facts that are the reason

3 weeks
and basis for the complaint.)

Formal Complaint

_____ vs. _____

Page 2 of 2

Wherefore, complainant asks installation of water line.
(Specifically state the relief desired.)

Dated at Shelbyville, Kentucky, this 16 day
(Your City)

of March, 1999
(Month)

Garry Lee Rutledge
(Your Signature)
Mary Sue Rutledge

(Name and address of attorney, if any)