

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

APR 25 2008

PUBLIC SERVICE
COMMISSION

CARROLL COUNTY WATER DISTRICT NO. 1)
COMPLAINANT)

VS.)

CASE NO. 2007-00202

WHITEHORSE DEVELOPMENT CO.)
INTERVENING COMPLAINANT)

VS.)

GALLATIN COUNTY WATER DISTRICT)
DEFENDANT)

MOTION TO SET ASIDE
PRE-HEARING (AGREED) ORDER
DATED AUGUST 1, 2007 AND
FOR IMPOSITION OF AN
ORDER PRESERVING THE
STATUS QUO

Comes now the defendant, Gallatin County Water District (hereinafter GCWD), by counsel, and for its cause herein, states as follows:

1. Defendant moves for an Order relieving it from the pre-trial order adopted by the PSC on August 1, 2007. That order is the result of agreement. At that time GCWD stated its willingness to preserve the status quo of this situation pending resolution of same by the PSC. GCWD certainly did not contemplate that 9 months would elapse

without any decision. In the meantime, GCWD has stood pat, while Carroll County Water District (hereinafter CCWD), not equally fettered by the Order in question, has taken steps to change the status quo to its advantage, so as to render any ultimate decision on this matter by the PSC moot, as a matter of practicality. If CCWD will not hold still for a PSC decision, GCWD should not, as a matter of equity, be required to stand idle in the face of movement by its adversary herein to its detriment.

2. GCWD moves the Commission for an Order temporarily stabilizing the current situation to the mutual advantage of all parties during the pendency of this action.

The fact is, there is nothing about this dispute that can't be squared up in conformity with a final decision ultimately rendered by the PSC or the Courts.

The sensible approach would be an Order allowing the customer to temporarily hook up to and be supplied by GCWD's existing 8" line which is only a few feet away. Water can be supplied through that line within 72 hours of authorization to do so, and at minimal expense (the cost of a meter). The line should be metered at the point of connection and the revenue derived from sales to the customer escrowed until final resolution of this dispute.

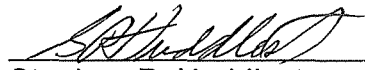
In this fashion, the innocent customer could immediately receive the quantity of water desired at minimal capital outlay. The possible

waste of tens of thousands of dollars necessary to, perhaps needlessly, bring CCWD's line to the customer, a line inadequate to serve the customer's eventual needs, might be avoided. And in the end, the two water districts can settle up on the basis of the final determination of this controversy.

As the situation now stands, the PSC sits mute while one party stands still in anticipation of a ruling and the other party jockeys for a position that will render any ultimate decision moot as a practical matter. The prevailing situation is patently inequitable to GCWD.

If the case is complex and difficult to assess, so be it, but, let us at least impose a regime during the case's pendency which does not prejudice to any party and satisfies the needs of the innocent customer.

Respectfully submitted,



Stephen P. Huddleston
Attorney for Gallatin County Water
District
P.O. Box 807
Warsaw, Kentucky 41095
(859) 567-2818

NOTICE

Please take notice that the foregoing motion is submitted to the Public Service Commission for consideration at its earliest possible convenience.

CERTIFICATION

This is to certify that the foregoing was served by mailing a true copy of same by first class mail, postage prepaid to Hon. Ruth H. Baxter, P.O. Box 353, Carrollton, Kentucky 41008 and Hon. Dennis R. Williams, P.O. Box 861, Covington, Kentucky 41012-0861, this the 25th day of April, 2008.