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HUDDLESTON LAW OFFICE

"Serving Gallatin County since 1979"

PUBLIC SERVICE COMMISSION

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October 11, 2007

Public Service Commission 211 Sower Blvd. P.O. Box 615 Frankfort, KY 40602-0615 Attn: T. Osterloh

> Re: CCWD, et al v. GCWD Case No. 2007-00202

Dear Mr. Osterloh;

Please receive the enclosed Response for filing and distribution. Please have a file-stamped copy returned to be in the enclosed SASE. Thanks.

Very truly yours,

Stephen P. Huddleston

SPH/cf

Enclosure

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COMMONEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION PUBLIC SERVICE

OCT 1 5 2007 COMMISSION

IN THE MATTER OF;))
CARROLL COUNTY WATER DISTRICT NO. 1 COMPLAINANT)))
VS.) CASE NO. 2007-00202)
WHITEHORSE DEVELOPMENT CO. INTERVENING COMPLAINANT)))
VS.)))
GALLATIN COUNTY WATER DISTRICT DEFENDANT)))

RESPONSE TO MOTION TO SHOW CAUSE

Comes now the Defendant, by counsel, and for its Response to Complainant's Motion to Show Cause, states as follows:

Defendant has not constructed any waterline within the territory of plaintiff, or anywhere else, nor has it allowed any entity to connect to its existing water lines since the date of the subject agreed order. Nor does the affidavit of Mr. Smith, in support of plaintiff's motion establish any such occurrence. Any waterline installed, as purportedly observed by Mr. Smith, was not the work of defendant.

Presumably the waterline in question was laid by the developer of the subject site in dispute. This should not surprise plaintiff, in that when this action was last before the Commission it was plainly and expressly stated openly before the Commission and its staff that it was anticipated that the developer might well lay line up to, but not connect to, defendant's existing line along Ky. 1039. At that time, plaintiff expressly stated that it had no objection should that occur.

Defendant respectfully submits that this action might proceed more smoothly toward a just resolution if plaintiff would refrain from belaboring the Commission and other parties hereto with specious grievances.

Respectfully submitted,

Stephen P. Huddleston

Attorney for Gallatin County

Water District P.O. Box 807

Warsaw, Kentucky 41095

(859) 567-2818

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 12th day of October 1, 2007.

Studdlyd