

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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**PUBLIC SERVICE
COMMISSION**

In the Matter of:)
)
NORTH MARSHALL WATER DISTRICT) CASE NO. 2007-00275
)
ALLEGED FAILURE TO COMPLY WITH)
KRS 278.160)

NORTH MARSHALL WATER DISTRICT'S RESPONSE TO SHOW CAUSE ORDER
ENTERED JULY 31, 2007

Comes now North Marshall Water District (hereinafter "NMWD"), by and through the undersigned counsel, and files its response to the Commission's Show Cause Order entered July 31, 2007. By said Order, the Commission has requested an explanation as to why NMWD should not be subjected to a penalty for an alleged delay in mailing out water bills on April 25, 2006. In response thereto, NMWD would state as follows:

1. The April 2006 billing period was the second billing after NMWD had lost the subcontracting company who had been reading the water meters for NMWD. This loss required NMWD to use its own personnel to read the meters. NMWD's personnel were inexperienced in reading the meters and they had to re-familiarize themselves with meter-reading protocol and meter routes. Also, one of the meter-readers was at that time experiencing back pain, making it more difficult for him to read the meters. Thus, it took them longer to complete the reading of all of the meters.
2. The meter-reading process usually begins on the first of the month. However, April 1, 2006, fell on a Saturday, meaning that meter-reading did not begin until April 3, 2006. Since that time, NMWD has changed its

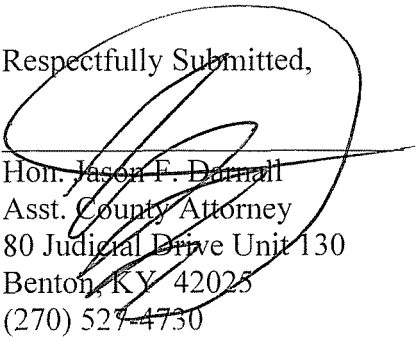
meter-reading protocol such that if the first of the month falls on a weekend, NMWD will begin the meter-reading process early to help ensure that the meters are read so that the bills can go on or about the 20th day of the month.

3. In April 2006, the meters were not finished being read until Friday, April 21, 2006. The next two days fell on the weekend, final preparations took place on Monday, April 24, 2006, and bills went out the next day on the 25th.
4. Because the April 2006 bills did not go out until the 25th day of the month, NMWD's customers were given until May 12, 2006, to get their bills paid. This was a two-day extension from what would have been the normal due date of May 10, 2006.
5. NMWD does not recall receiving any complaints from any of its other customers regarding the alleged tardiness in sending out the April 2006 bills. The problem that arose with Kentucky Dam Village was an isolated incident.
6. NMWD believes it has a strong record of sending out bills on time according to the "on or about" standard that the Commission suggested.

WHEREFORE, based on the foregoing, NMWD would urge the Commission not to penalize NMWD in this situation. When all of the above facts and circumstances are taken into account, NMWD's actions simply do not rise to the level of conduct which would warrant fines, penalties or sanctions. NMWD did not exhibit any willful, intentional or even negligent conduct. NMWD also believes that an informal conference is not necessary, given the

multitude of facts which are favorable to NMWD. Accordingly, NMWD would respectfully request that the Commission not impose any fines, sanctions or penalties against NMWD.

Respectfully Submitted,



Hon. Jason F. Darnall
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was mailed by US Mail on this the 14 day of August, 2007 to the following:

Beth O'Donnell
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Ky 40602



Jason F. Darnall
Asst. County Attorney