

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JIMMY HARSTON AND RANDY HARSTON)
)
COMPLAINANTS)
)
v.) CASE NO. 2007-00310
)
ALLEN COUNTY WATER DISTRICT)
)
DEFENDANT)

ORDER TO SATISFY OR ANSWER

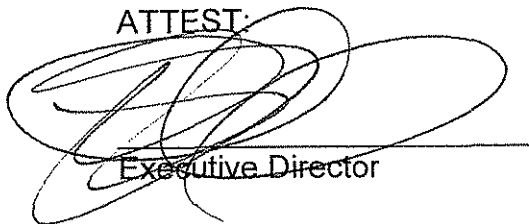
Allen County Water District ("Allen District") is hereby notified that it has been named as defendant in a formal complaint filed on July 16, 2007, a copy of which is attached hereto.

Pursuant to 807 KAR 5:001, Section 12, Allen District 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 27th day of July, 2007.

ATTEST:



Executive Director

By the Commission

RECEIVED

JUL 1 6 2007

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
NO.

Case No.
2007-00310

JIMMY HARSTON AND
RANDY HARSTON

COMPLAINANTS

VS.

COMPLAINT

ALLEN COUNTY WATER DISTRICT

DEFENDANT

The Complaint of Jimmy Harston and Randy Harston, hereinafter "Harstons", respectfully show:

A. The Complainants are:

Jimmy Harston and Randy Harston Real Estate Developers, whose office address is: 13070 Scottsville Road, Lucas, KY 42156.

B. The Defendant is the Allen County Water District, hereinafter "ACWD", which is a water district whose Post Office address for its office is 330 New Gallatin Road, Scottsville, KY 42164.

C. The Complainants state:

1. They are owners and developers of a certain parcel of real estate in Allen County, Kentucky, known as Riverbend Ridge Subdivision, which they have subdivided and platted into residential lots for sale, for which the public water services are provided by ACWD (a copy of the sales brochure delineating the subdivision is attached as EXHIBIT 1). The only road or street in the said subdivision is an extension of Erwin Road, which has been named Old River Road. Erwin Road is a public road along which ACWD has an existing distribution line.

2. As developers, the Harstons have installed within River Bend Ridge Subdivision, at their expense, a water distribution line of sufficient capacity to serve the subdivision as planned, which line is an extension of the Defendant's existing water distribution line on Erwin Road, which existing line terminated at Harston's property..

3. ACWD claims that its existing three-inch distribution line on Erwin Road is of insufficient capacity to transport the water necessary to serve the Harstons' entire subdivision and has limited the number of customers who may be served in the subdivision to those located in "Phase I" of the development.

4. ADWD, in reliance upon its tariffs and rules and regulations designated "AG", Line Enlargement Charge, which was filed with the Commission on September 12, 2001, a copy of which is attached as Exhibit 2, attempts to impose upon the Harstons the cost of enlarging its distribution line on Erwin Road so as to provide sufficient capacity to serve the potential need of Harstons' subdivision, which is "Phase II".

5. The cited tariff is inapplicable. The tariff is applicable only to a subdivision with frontage on an existing distribution line. The formula for ascertaining costs to a developer for line enlargement charges is based on the number of front footage of the residential development on the existing distribution line. The Complainant's residential development has no frontage on ACWD's existing distribution line.

6. It is the legal duty of the Defendant to render adequate, efficient, and reasonable service within its service area established under its Certificate of Convenience and Necessity, which duty extends to expansion of services to meet consumer demand at its cost, absent any provision in its file tariff or rate schedules to the contrary. There are no such provisions to the contrary applicable to this situation. See KRS 278.030(2), KRS

278.280 (3); KRS 278.015, City of Bardstown v. Louisville Gas & Electric Co. Ky. 383 SW
2 918 (1964).

WHEREFORE, the Complainants demand relief as follows:

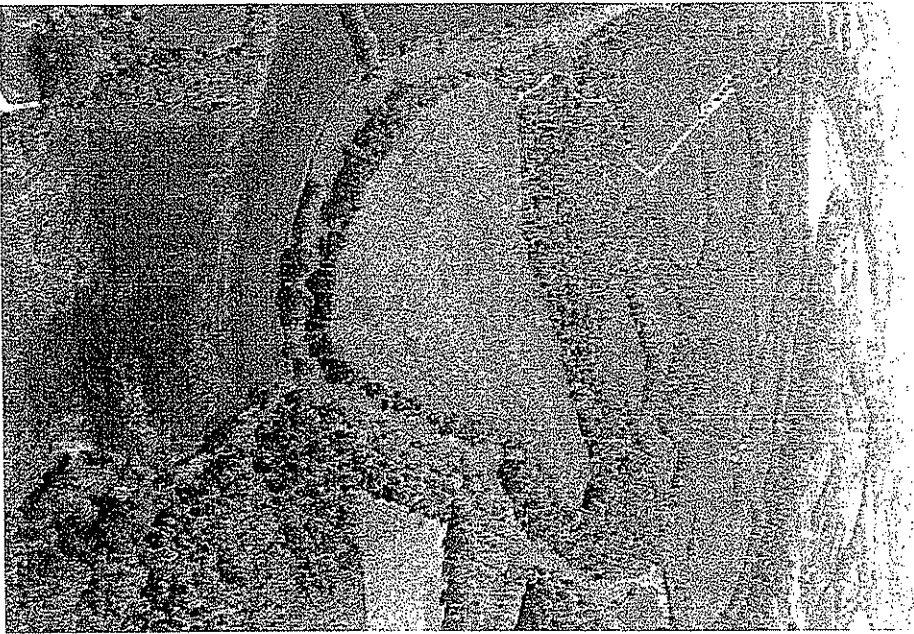
a) that the Defendant, ACWD, be ordered and required to install, at its sole
expense, a distribution line of sufficient capacity to adequately serve Harstons' Riverbend
Bend Ridge Subdivision, and

b) for all other relief to which they may appear entitled.

**RICHARDSON, GARDNER,
BARRICKMAN & ALEXANDER
117 EAST WASHINGTON ST.
GLASGOW, KY 42141
(270) 651-8884; (270) 651-3662**

BY: *Bobby H. Richardson*
BOBBY H. RICHARDSON

ATTORNEYS FOR PLAINTIFF



Jimmy & Randy Harston, owners, are pleased to offer these very desirable river front farms. This unique development allows you to have large waterfront acreage farms with all the privacy you've ever dreamed of. You can walk out your back door into beautiful Barren River. Your river front property line being the center of the river, allows you to build your dream house right on the river front. This development is designed for both permanent & weekend retreat owners to enjoy their own river front farm with privacy and protection. The location of River Bend Ridge places you within minutes of I-65, Bowling Green, Scottsville, Barren River State Park, beaches, golf, hospitals and schools. This river front development is the best Kentucky has to offer.

*Barren River's Most
Prestigious River Front
Properties*

Riverbend Ridge

Offering

River Front Farms

1 to 6 Acres

*Gentle Slope to River
Gated Development*

Owner Financing

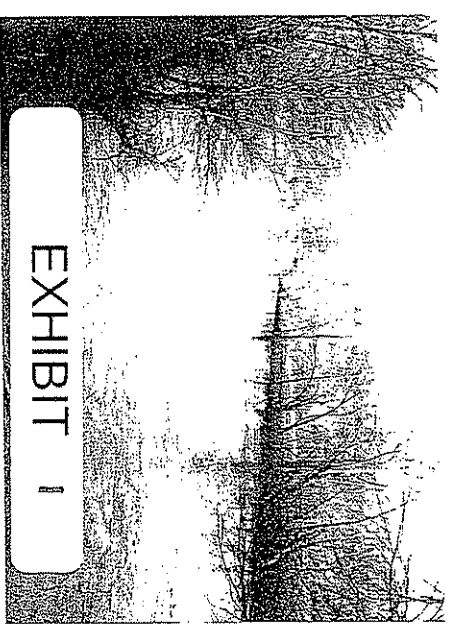
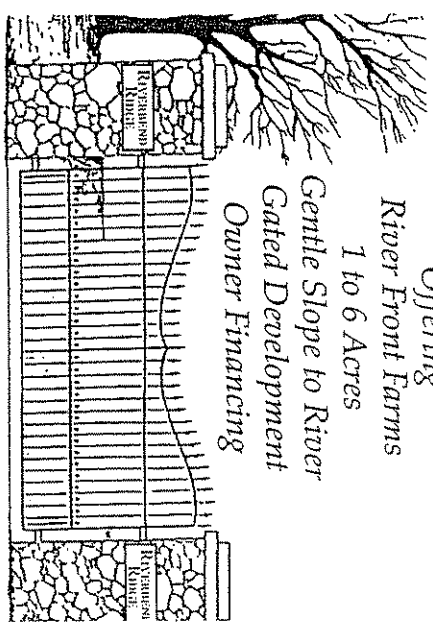
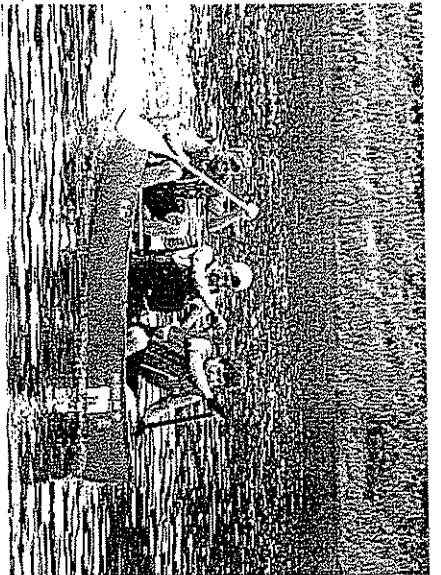


EXHIBIT 1

FOR INFORMATION CALL
 (270) 646-3199 (Days 8-5)
 (270) 622-4925 (Evenings)
 Email - jimmyharston@yahoo.com



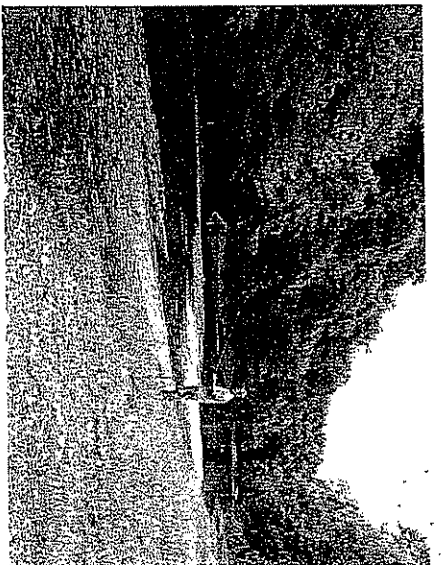
Barren River is an excellent place for float trips in canoes, or kayaks to enjoy the great outdoors.

For Price Information email to jimmyharston@yahoo.com
or call 270-646-3199



Barren River State Park is located approximately 15 minutes from Riverbend Ridge. It has a large public swimming beach, golf, tennis, bicycling trail, and horseback riding.

The lodge restaurant has a large dining room serving breakfast, lunch and dinner. There are food markets, fishing supply stores, gas stations and restaurants located within 5 minutes from Riverbend Ridge.



Fishing

Barren River also is unsurpassed for fishing pleasure. With an abundance of largemouth, white, and hybrid striped bass, bluegill, channel catfish, crappie, and rough fish, you are sure to get a bite.



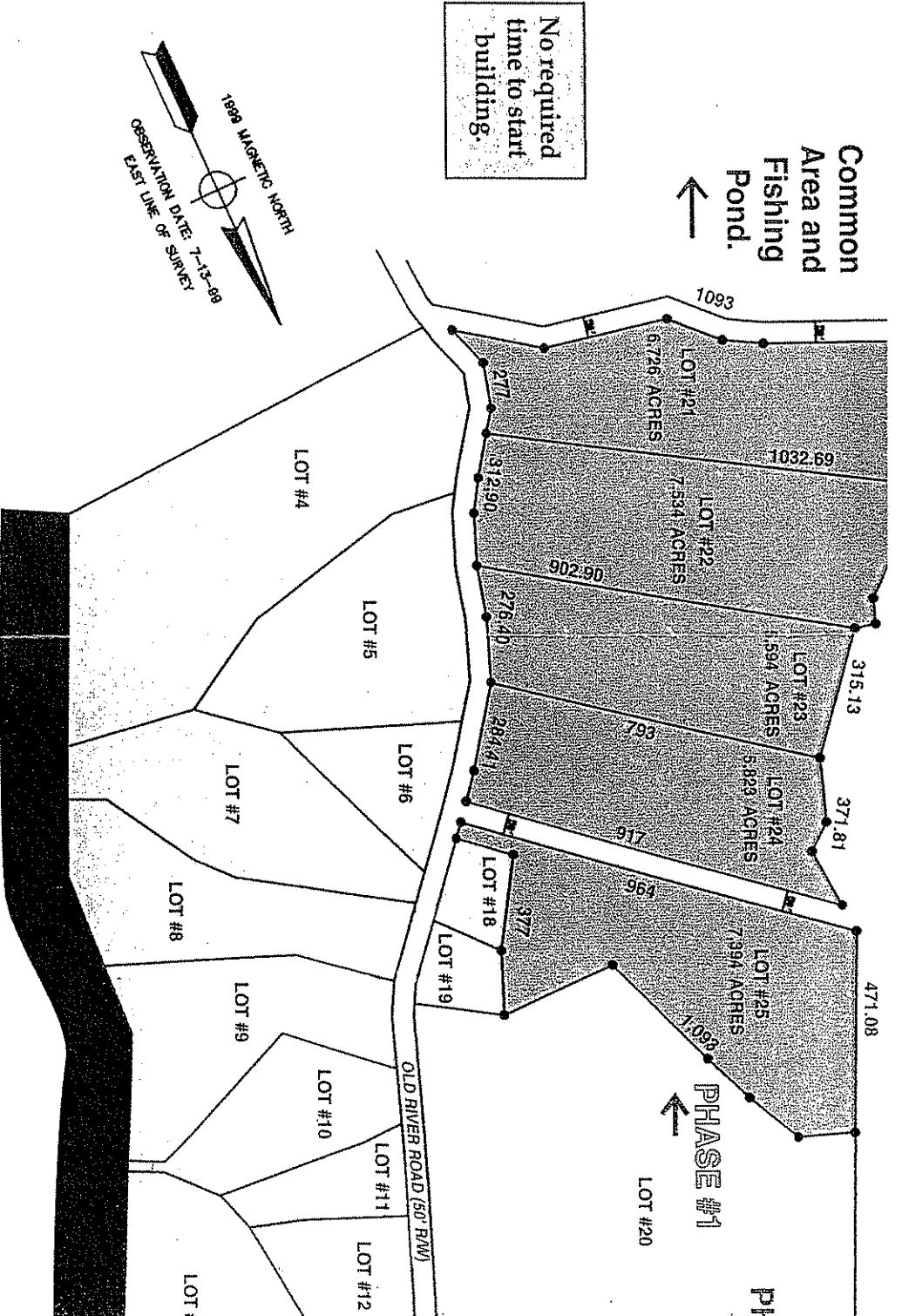
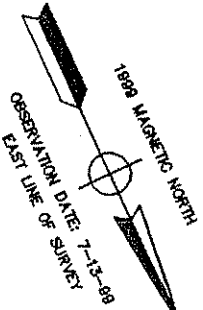
Golf

Enjoy a "par"fect day on the 18-hole, regulation golf course. A fully equipped pro shop, riding carts, and rental clubs are available. 18-hole Golf packages available.

Common Area and Fishing Pond.



No required time to start building.



Riverbend Ridge

DIRECTIONS TO OFFICE

(Directly across from Barren River State Park Entrance)

FROM LOUISVILLE (1.5 Hours):

Take 1-65 South to Exit #53 to Barren River State Park

FROM NASHVILLE (1 Hour):

Take I-65 North to Exit #6 to Hwy. 100 East to Scottsville;
31E North to Barren River State Park

FROM OFFICE TO RIVERBEND RIDGE:

Take 31E South 3 miles to Highway 252, turn right 3.8 miles to 1533, turn left exactly 2.3 miles to Erwin Road (top of hill), turn right go 1.9 miles straight into Riverbend Ridge.

Developers

Jimmy Harston cell 270-618-0777
Chad Harston cell 270-622-8500

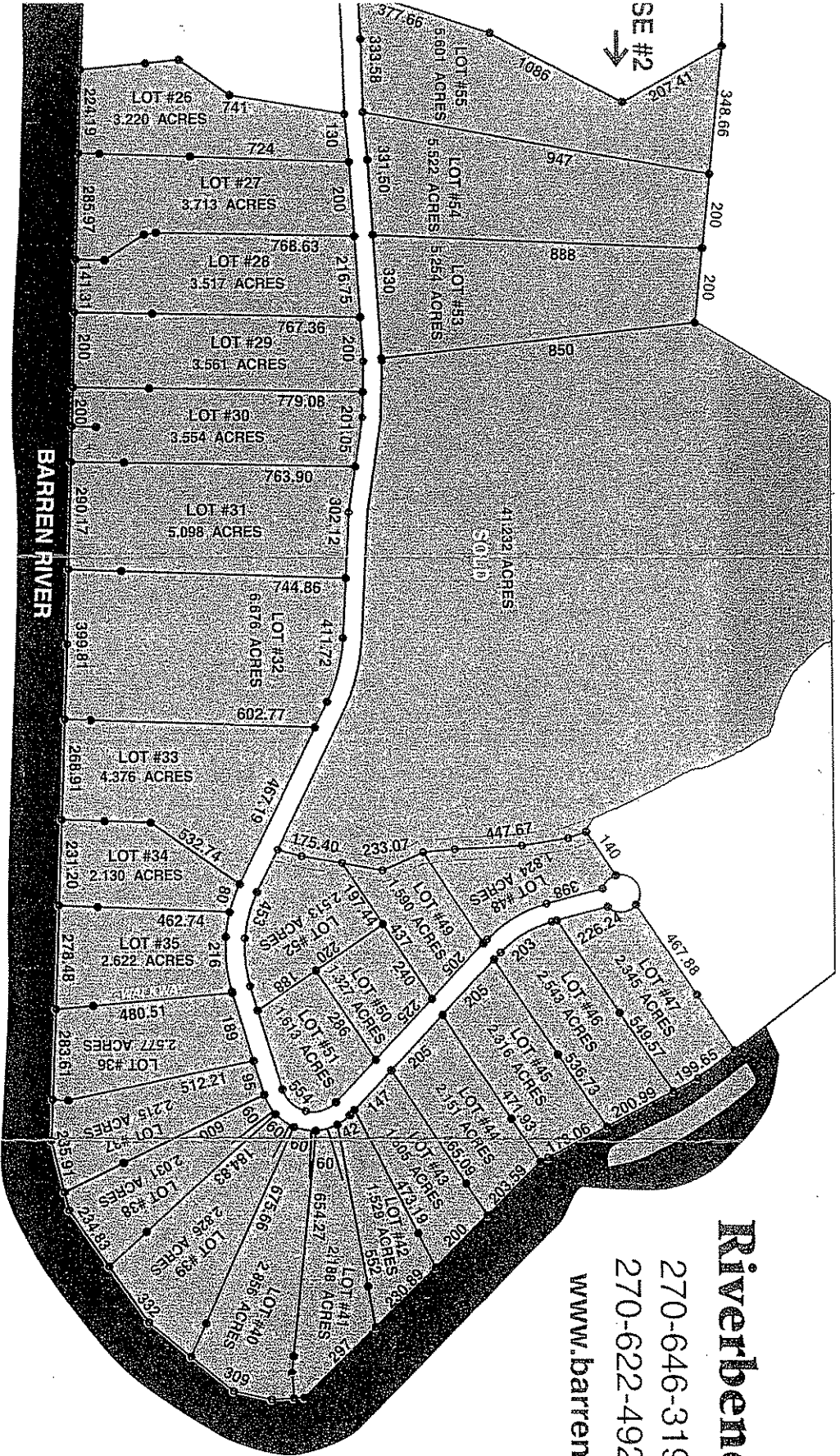
AMENITIES

- Stone entrance with electric security gates
- Underground utilities, city water
- Common area with hiking woods and fishing pond
- Blacktop streets surrounded by beautiful farm land
- Farms surrounded by trees
- Main river channel offers year round water access

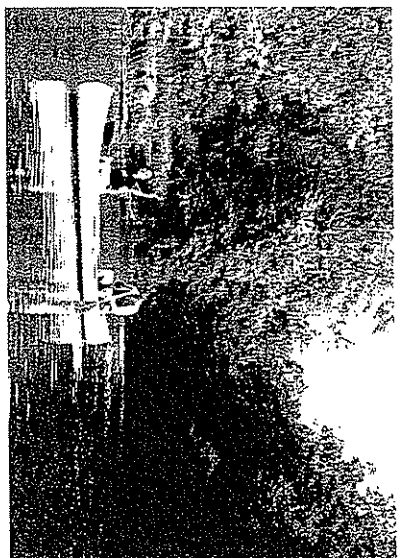
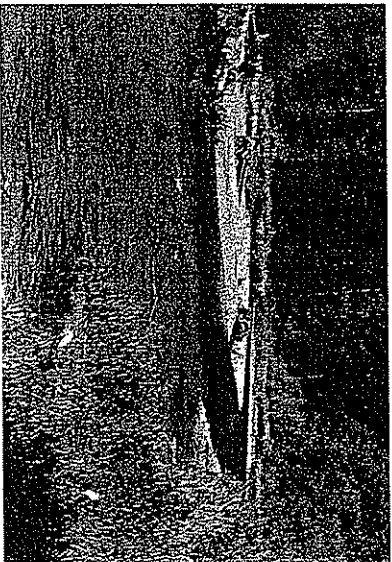
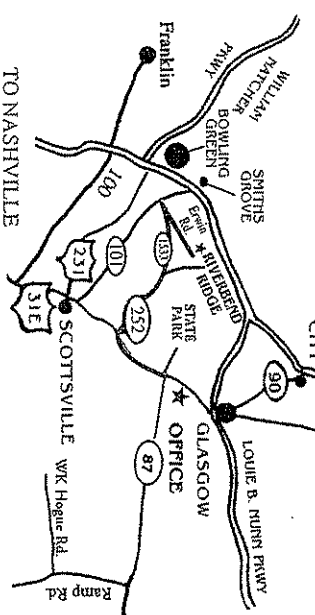
NOTE: Riverbend Ridge is a planned community governed by a Home Owners Association. Comprehensive deed restrictions and design standards have been established to protect the value of the property.

Riverbend Ridge

270-646-3199 (Days 8-5)
 270-622-4925 (Evenings)
www.barrenlake.com



Centrally located between
 Louisville and Nashville
 of US 31E and convenient to I-65



The unique combination of natural setting charm, abundant wildlife, forested woods, absolute serenity and convenience to all the local amenities makes this community the best place in Kentucky to build your home.

FOR Allen County, Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 47

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Allen County Water District
(Name of Utility)

RULES AND REGULATIONS

AG. Line Enlargement Charge.

It is the utility's policy that the infrastructure costs of residential developments should be paid by the developer rather than by the existing customers of the utility. Most of the utility's distribution lines were designed and constructed to serve farms with infrequently interspaced residential lots. For purposes of this rule a lot is considered more residential than agricultural in nature if the lot is less than 15 acres.

The developer of each residential development on an existing distribution line shall be required to pay to the utility a Line Enlargement Charge. Such charge shall be equal to the number of feet of road frontage of the residential development on the existing distribution line multiplied by 1/2 of the average cost of installing the utility's minimum size distribution water main. The charge will normally be charged only for the frontage of lots less than 15 acres. However, if a development contains lots both less than and greater than 15 acres, then the charge will be assessed for the frontage of the entire development if more than 1/2 of the frontage is occupied by lots of less than 15 acres. No charge will be made for the frontage of any tract served by an existing meter in front of that lot. However, such tract will be considered under the preceding sentence for the purpose of determining whether to charge for the remaining frontage of the development.

No preliminary plat will be signed until the developer has agreed in writing to pay the required Line Enlargement Charge. No final plat will be signed until the developer has paid the required Line Enlargement Charge

The funds from the Line Enlargement Charge shall be placed in an escrow account. These funds shall be used only for enlarging distribution lines and, under exceptional circumstances, when the additional construction will be cheaper than enlarging the affected lines, and for the installation of connections between water mains such as dead-end lines.

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY John H. Jones
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 12 2001

PURSUANT TO 807 KAR 5:011,
SECTION 3 (1)
BY: Stephen O. Bell
SECRETARY OF THE COMMISSION

EXHIBIT 2