

John David Myles
Attorney at Law

413 SIXTH STREET
SHELBYVILLE, KENTUCKY 40065

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December 2, 2004

Hon. Beth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

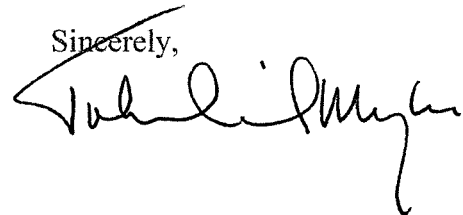
RE: Case No. 2004-00105
North Shelby Water Company

Dear Ms. O'Donnell:

Please find enclosed the original and three copies of an agreement entered between the North Shelby Water Company and the Shelby County Board of Education concerning the utility's fire suppression rate. The agreement has been revised to incorporate a wording change suggested by Commission staff and therefore has two original signature pages. However, assuming that this is acceptable to the Commission and the Attorney General, it resolves all issues in this case between the Board and North Shelby.

If you have any questions or I may be of any further assistance in this matter, please do not hesitate to call.

Sincerely,



cc: Ms. Elaine Farris
Dale Wright, Esq.
Donald J. Prather, Esq.

FIRE PROTECTION RATE SPECIAL CONTRACT

WHEREAS, North Shelby Water Company (hereinafter "North Shelby") is a non-profit public utility providing domestic water in Henry and Franklin Counties, Kentucky, and further providing fire protection service in certain areas of North Shelby's system adjacent to water tanks and larger lines; and

WHEREAS, the Shelby County Board of Education (hereinafter the "School Board") is a customer utilizing North Shelby's fire protection services at Painted Stone Elementary School and West Middle School; and

WHEREAS, the parties have agreed to establish by mutual consent a rate to be charged by North Shelby to the School Board for such fire protection services.

NOW THEREFORE, this Fire Protection Rate Special Contract is made and entered into this 24th day of November, 2004 by and between North Shelby Water Company and the Shelby County Board of Education:

1. North Shelby shall charge and the School Board shall pay the sum of \$240.00 per month per school for fire protection services for Painted Stone Elementary School and West Middle School, effective March 1, 2004.

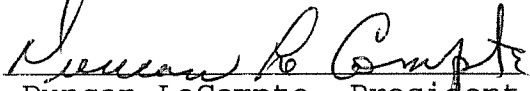
2. All customers utilizing the fire protection services of North Shelby shall be charged the same rate for each facility protected.

3. The \$240.00 per site fire protection charge will be reduced on a proportional basis as additional customers on North Shelby's system require fire protection service, beginning when the total monthly fire protection revenue received by North Shelby equals \$727.50.

4. The rate in this Special Contract will remain subject to future adjustment by the parties with the approval of the Public Service Commission by Order.

5. This Special Contract will become enforceable when it has been signed by both parties and ratified by the Kentucky Public Service Commission.

NORTH SHELBY WATER COMPANY

By: 
Duncan LeCompte, President

SHELBY COUNTY BOARD OF EDUCATION

By: _____

Title: _____

RATIFIED:

KENTUCKY PUBLIC SERVICE COMMISSION

By: _____

Title: _____

NORTH SHELBY WATER COMPANY

By: _____
Duncan LeCompte, President

SHELBY COUNTY BOARD OF EDUCATION

By: Allen R J Phillips
Title: Chairman

APPROVED:

KENTUCKY PUBLIC SERVICE COMMISSION

By: _____

Title: _____

John David Hayes
Attorney at Law

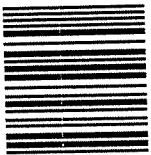
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Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601



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