

John David Myles
Attorney at Law

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413 SIXTH STREET
SHELBYVILLE, KENTUCKY 40065

(502) 633-3252

January 26, 2005

Gerald W. Wuetcher, Esq.
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

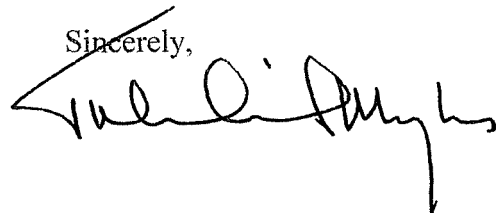
RE: Case No. 2004-00105

Dear Gerry:

Attached is a copy of a letter Don Prather sent to his client, North Shelby, with a copy to me. As you are aware, the Commission's decision to reject the agreement between the Shelby County Public Schools and North Shelby is working to the considerable detriment to my client. Although we have thus far been unsuccessful in getting together by phone, I have discussed the matter separately with you and with Don and it is my understanding that North Shelby is willing to withdraw its fire suppression tariff completely if it has the Commission's assurances that the special contract would then be approved as submitted. This solution would seem to achieve everyone's immediate objectives and leave all other issues to be considered *de novo* if and when they arise.

I, and I am sure Don, would appreciate your advice on how best to proceed from here.

Sincerely,



Enclosure:

cc: Donald T. Prather, Esq.

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January 20, 2005

North Shelby Water Company
PO Box 97
Bagdad, Kentucky 40003
Att: Tara

Re: Fire Protection Billing to
Shelby County Board of Education

Dear Tara:

Unfortunately, the Public Service Commission rejected our request both to amend our fire protection tariff by lowering the rate and substitute a special contract for that fire protection tariff. Since both requests have been denied, the existing fire protection tariff continues in effect. In accordance with the law, we are required to charge that tariff to the Board of Education.

As a gesture of good faith, I believe we previously refunded to the Board of Education all money paid by the Board to North Shelby on or after March 1, 2004, which exceeded \$480.00 per month. We must now calculate the amount which the Board should have paid each month under the existing fire protection tariff beginning with that March bill, and using the correct square footage for each school. The difference for each month between that correct amount and the \$480.00 which the Board has paid should be added to the Board's next bill.


North Shelby has no choice but to take this action since to do otherwise would be an intentional violation of Public Service Commission rules, which clearly require all utilities to charge their tariff rate without exception.

North Shelby Water Company
January 20, 2005
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The School Board attorney, John David Myles, and I will attempt to schedule a meeting with PSC staff and obtain a mutually satisfactory resolution of this matter as soon as possible.

Yours Truly,

MATHIS, RIGGS & PRATHER, P.S.C.

By: 

Donald T. Prather

DTP/pm

Cc: Duncan LeCompte, President
Darrell Dees, Manager
Sandy Broughman, Engineer
John David Myles, Esq.

John David Moyles
Attorney at Law

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