

February 25, 2005

Mr. Donald T. Prather, Atty. At Law
Mathis, Riggs & Prather, PSC
500 Main Street, Suite 5
Shelbyville KY 40065

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MAR 04 2005
PUBLIC SERVICE
COMMISSION

Reference: North Shelby Water Co.
Public Service Commission Case # 2004-00310

Mr. Prather:

This letter is in reference, and in response, to your phoned request of some months ago requesting that I name a figure for which I will settle the above-referenced matter.

You were correct to reject out of hand the amount I mentioned. The figure I named, off the top of my head and under pressure from you to name a number immediately, was too high.

The calculated correct amount is **\$619.85**

Here are the basic calculations which lead to this figure – more detailed numbers, taken from North Shelby's own records, can be provided on request if you do not have them available:

Total months to date I have been a customer of North Shelby Water Co:	52
Total months relevant to the complaint:	23
Average monthly payment outside complaint period:	\$17.80
Average monthly payment during complaint period:	\$44.75
Difference of \$26.95/month X 23 months:	\$619.85

In the interest of clearing this matter up as easily as possible for all concerned, I will accept the above amount either as a cash payment or as a credit against my ongoing water bills.

I'm sure you and North Shelby share my desire to put this matter behind us all. I also point out that the above amount has the potential to change, as the numbers used to calculate it change over time.

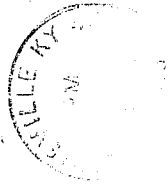
Thanks for your attention to this matter. I'll look forward to your prompt reply.

Sincerely,

Richard Hauenstein
6917 Benson Pike
Shelbyville KY 40065
Phone 502-747-5880

cc: Mr. J.E.B. Pinney
✓ Environmental and Public Protection Cabinet

Mr. Richard L. Hauenstein
6917 Benson Pike
Shelbyville, KY 40065-9513



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Attn: Mr. J.E.B. Pinney