

**HENRY WATSON III**  
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January 3, 2007

Public Service Commission  
ATTN: Filing Clerk  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

RECEIVED

JAN 5 2007

PUBLIC SERVICE  
COMMISSION

Re: 2006-0072

Dear Clerk:

Enclosed is a Response to Order of the Commission in the above referenced case. Please file enclosed original and ten (10) copies accordingly, have a copy stamped filed, and return to me in the self addressed stamped envelope.

Thank you for your assistance in this matter, and please do not hesitate to contact me should you have any questions.

Sincerely,

*Henry Watson III by lmh*  
Henry Watson III

HW/lmh

Enclosures

cc: Mayor Jeff McFarland  
North Middletown City Commission  
Betsy Frazier, City Clerk

BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE  
COMMISSION

In the Matter of:

ALLEGED FAILURE OF THE CITY OF NORTH	)	
MIDDLETOWN TO COMPLY WITH KRS 278.160	)	
AND 278.180 AND THE COMMISSION'S ORDER	)	CASE NO.2006-00072
OF AUGUST 10, 1994 IN ADMINISTRATIVE	)	
CASE NO. 351	)	

**RESPONSE TO ORDER OF THE COMMISSION**

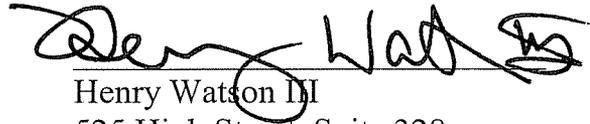
Comes now the City of North Middletown, by counsel, and for its Response To Order Of the Commission of December 14, 2006, states as follows:

1. This matter has been fully briefed by both parties, we have entered a mutual Stipulation, and a Memorandum of the telephone informal conference is also a part of this Record.

2. The City of North Middletown reiterates that it was never served with a copy of the Order of the Public Service Commission of August 10, 1994, as at that time it was not a wholesale provider of water utility services.

3. The contract and rates of the City of North Middletown were before the Commission in the application of Judy Water to extend its services, and the Commission is requested to take judicial notice of what is in its own files and records.

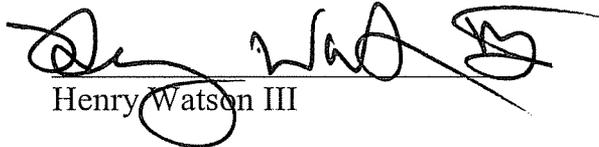
Respectfully submitted,



Henry Watson III  
525 High Street, Suite 328  
Paris, Kentucky 40361  
Telephone: 859-987-6525  
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Counsel to the City of North  
Middletown

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing Response was served upon the Public Service Commission by mailing a copy to the Commission, and to its counsel of record, Gerald E. Wuetcher, Esq., General Counsel of the Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602-0615 and by facsimile to 502-564-7279, this the 2<sup>d</sup> day of January, 2007.



Henry Watson III