

COMMONWEALTH OF KENTUCKY  
PUBLIC SERVICE COMMISSION  
CASE NO. 2007-00202

RECEIVED  
JUL 23 2007  
PUBLIC SERVICE  
COMMISSION

IN RE: The Matter of:

CARROLL COUNTY WATER DISTRICT, NO. 1

COMPLAINANT

VS.

ANSWER

GALLATIN COUNTY WATER DISTRICT

RESPONDENT

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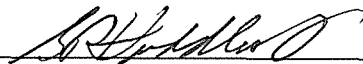
Comes now the Respondent, by counsel and for its Answer to the  
Complaint of record herein, states as follows;

1. Respondent admits the allegations contained in paragraphs 1, 2 and 4.
2. Respondent denies the allegations contained in paragraphs 3, 5, 6 and 7.
3. Complainant does not have the right by statute or case law precedent to the exclusive privilege to serve the subject unserved development, nor is it insulated from competition within its boundaries relative to unserved properties.
4. Complainant does not, in fact, have the current capacity to serve the subject site without the wasteful expenditure of hundreds of thousands of dollars of public treasure or private capital, whereas Respondent is currently able to provide water service to the subject site at a fraction of said cost.

5. The owners of the properties at issue herein desire to be served by Respondent, as is consistent with prudent business judgment in that service from Respondent can be accomplished at a fraction of the cost necessary to acquire service from Complainant. Respondent is situated with an 8" line, at a distance of approximately 800'. Complainant sits 3400' from the development with a 4" line, and will further require the expense necessary to construct a water tower to serve the development.
6. Complainant is estopped from objection to Respondent's lines laid in 1999 and 2002 in that Complainant approved of, consent to acquiesced in and participated in the laying of those lines, without objection or complaint, and now, after expenditure of substantial funds by Respondent to lay said line, with its blessing and knowledge, Complainant cannot be heard to complain of same.
7. If, in fact, the installation of water line by Respondent into the territory of Complainant is unlawful, Complainant by consenting to and participating in said line extensions is in pari delicto in that illegality and is estopped and barred from complaint about same and from gaining advantage from same. Said waterline is, however, not unlawful as it represented an ordinary and natural extension of Respondent's existing service.
8. There are no reasons to allow Respondent to serve the subject development site lying within the boundaries of Complainant other than


equity, efficiency, economy, preservation of public treasure and private capital, avoidance of duplication of public services, and maximization of benefits to the consumer, who, by the way, the parties hereto exist to serve.

WHEREFORE, Respondent prays that the Complaint be dismissed and held for naught and that an Order issue from the Public Service Commission authorizing Respondent to provide water service to the subject site and its environs.

  
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Stephen P. Huddleston  
Attorney for Gallatin County  
Water District  
P.O. Box 807  
Warsaw, Kentucky 41095  
(859) 567-2818

#### CERTIFICATION

This is to certify that the foregoing was served by mailing a true copy of same by first class mail, postage prepaid to Hon. Ruth H. Baxter, P.O. Box 353, Carrollton, Kentucky 41008, this the 19<sup>th</sup> day of July, 2007.

  
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