

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

Case No. 2007-00405

In the Matter of:

Parksville Water District

v.

City of Danville

Answer

The City of Danville ("the City") hereby responds to the allegations in the Complaint filed by Parksville Water District ("Parksville"):

1. The City admits so much of paragraph 1 of the Complaint as alleges that Parksville is organized as a water district and, although it is without knowledge or information sufficient to form a belief about the other allegations in paragraph 1 in order to affirmatively admit or deny them, it is the City's understanding that Parksville is a "utility" regulated by the Commission.
2. The City admits paragraph 2 of the Complaint.
3. The City admits the first sentence of paragraph 3 of the Complaint. The City states that the documents dated 10/7/94, 10/28/94, and 1/11/02 attached to the Complaint as Exhibit 1 are written agreements between the City and Parksville relating to Parksville's purchase of water from the City, and denies any remaining allegations in paragraph 3 of the Complaint.
4. The City notes that there is no paragraph numbered 4 or 5 in the Complaint.
5. The City denies that bills to Parksville have "deviated from the contract rate." The City is without knowledge or information sufficient to form a belief about the other allegations in paragraph 6 of the Complaint.

6. The City is without knowledge or information sufficient to form a belief about the allegations in paragraphs 7 or 8 of the Complaint.

7. The City is without knowledge or information sufficient to form a belief about the allegations in paragraph 9 of the Complaint regarding what Parksville believes; however, the City denies that the rates charged to Parksville in the past or at present are “void.”

8. Paragraphs 10, 12, and 13 of the Complaint contain allegations of violations of regulations or requirements. The City denies that it has failed or violated an applicable requirement or regulation.

9. Paragraph 11 of the Complaint alleges that the City “failed to comply with the directive of the Commission dated December 18, 1998.” To the extent that the referenced “directive” is the letter from the Commission’s Executive Director of that date, the City notes that the letter is neither an order nor a regulation of the Commission, that its stated purpose is to provide guidance about procedures, and that it neither references nor encloses any of the regulations cited in the Complaint. The City also denies that it is required to either “file a new rate schedule or tariff” or “file an application for an increase in rates,” but states that — according to its records — it has not made such filing with the Commission after 2000.

10. The City is without knowledge or information sufficient to form a belief about the allegations in paragraphs 14 and 15 of the Complaint regarding when Parksville received actual notice of Ordinance 1536. The City states that Ordinance 1536 was duly published on September 30, 1997, in the newspaper of record in and for Boyle County, Kentucky. Upon information and belief, the City further states that Parksville received individual notice of Ordinance 1536 soon after its passage in September 1997. The City admits that the document attached to the Complaint as Exhibit 2 is a true and

complete copy of Ordinance 1536, and denies that the allegations in paragraph 15 of the Complaint accurately and completely describe Ordinance 1536.

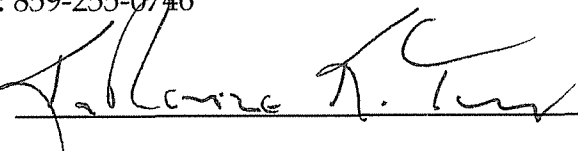
11. The City is without knowledge or information sufficient to form a belief about the allegations in paragraph 16 of the Complaint regarding what Parksville believes; however, the City denies that Parksville has been improperly billed.

WHEREFORE, the City of Danville respectfully suggests that the Commission dismiss the Complaint.

Respectfully submitted,

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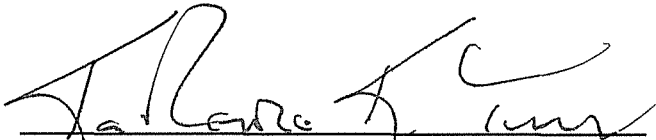
By: 
ATTORNEYS FOR THE CITY OF DANVILLE

CERTIFICATE OF FILING AND SERVICE

I hereby certify that on this the 3rd day of January, 2008, the original and ten (10) copies of this Answer were hand-delivered for filing with the Commission, a conformed, electronic copy was e-mailed to John N. Hughes and to Virginia W. Gregg, and a copy was served on counsel for the other party by first-class U.S. mail addressed to:

John N. Hughes
124 W. Todd St.
Frankfort, KY 40601

Attorney for Parksville Water District



Attorney for the City of Danville