

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Parksville Water District

v.

City of Danville

Case No. 2007-00405

RECEIVED

MAY 29 2008

PUBLIC SERVICE
COMMISSION

**Danville Response re
Parksville's Motion to Suspend/Hold in Abeyance**

Parksville Water District ("Parksville") has served a Motion requesting an order "suspending the procedural schedule in this matter and holding the case in abeyance" pending the final decision in Case No. 2008-00176, which was initiated by a Commission order dated May 22, 2008. The City of Danville ("Danville") generally concurs in that request, but also states and requests as follows:

1. At the least, and independent of the initiation of Case No. 2008-00176, the Commission should cancel the hearing scheduled to begin at 10:00 A.M., June 18, 2008. The Commission's scheduling Order issued April 4, 2008, ¶ 6 (p.3) expressly limits the scope of the hearing "to those issues relating to whether or not Danville is permitted under its contract with Parksville to charge the water rates it has been charging Parksville for the period of August 2005 through the present, the correct amount due pursuant to the contract, and whether or not any credit is due to Parksville." *See also id.* ¶1 (p.1). This stated scope for the hearing conforms to Parksville's complaint, and the understanding of both the Commission and Danville of the contract dispute submitted for the Commission to adjudicate. *See id.* p.1 (characterizing complaint as "protesting Danville's increase of its wholesale water rate ... as being in excess of the contract rate"). Despite its complaint and Danville's formal and informal requests therefor, Parksville has

declined to provide any specifics or factual basis for its claim that Danville is charging rates that deviate from the contract . Furthermore, in its summary of expected testimony for the hearing (served May 23, 2008), Parksville does not include any testimony about “whether or not Danville is permitted under its contract with Parksville to charge the water rates it has been charging Parksville for the period of August 2005 through the present” — the predicate question for the hearing. There is thus no need for the hearing scheduled.

2. By the same token, it appears that Parksville has no factual or other basis for claiming that Danville is charging rates not permitted by the contract and, indeed, is no longer making such a claim. The complaint therefore should be dismissed. At the least, this proceeding should be terminated and any remaining issues considered as part of Case No. 2008-00176. In ¶ 8 of its 5/22/08 Order initiating that other proceeding, the Commission has already incorporated the record of this case. No purpose is served by maintaining this case as a separate proceeding.

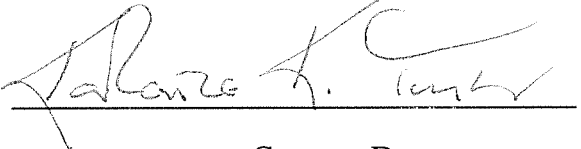
3. In the event that the Commission neither terminates this case nor suspends the procedural schedule herein, Danville requests that it be allowed 10 days from the date of the Commission decision in which to serve and file any preliminary motions. The existing deadline for such motions is May 30, 2008. *See* 4/4/08 Order ¶ 5 (p.3).

WHEREFORE, Danville respectfully suggests that the Commission cancel the scheduled hearing and dismiss Parksville’s complaint or subsume this case in Case 2008-00176 — or, in the alternative, suspend the proceedings herein as requested by Parksville.

Respectfully submitted,

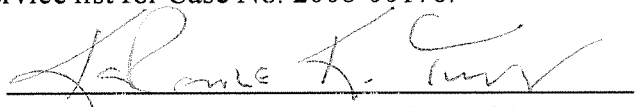
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By: 
ATTORNEYS FOR THE CITY OF DANVILLE

CERTIFICATE OF FILING AND SERVICE

I hereby certify that on this the 28th day of May, 2008, the original and ten (10) copies of this Response were mailed for filing with the Commission 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. As a courtesy, an electronic conformed copy has also been e-mailed to John N. Hughes and to Virginia W. Gregg and a copy has also been mailed to those persons not on the service list for this case who are on the service list for Case No. 2008-00176.


Attorney for the City of Danville