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MAR 26 2008

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

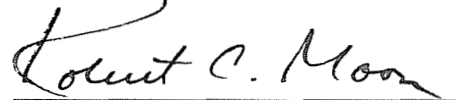
THE APPLICATION OF FARMDALE DEVELOPMENT)
CORPORATION FOR AN ADJUSTMENT IN RATES) CASE NO. 2007-00436
PURSUANT TO THE ALTERNATIVE RATE FILING)
PROCEDURE FOR SMALL UTILITIES)

NOTICE OF FILING

Comes Farmdale Development Corporation, by counsel, and hereby files the following documents to supplement its Response to the Commission Staff's Report:

- 1) Attachment F to the Written Comments to Staff's Report on Farmdale Development Corporation consisting of letter to Berl Robinson from Robert C. Moore dated December 20, 2007 and letter to Berl Robinson from Robert C. Moore dated January 31, 2008.
- 2) Letter to Cap Billing Service from Robert C. Moore dated February 29, 2008 and letter to George Phelps with Cap Billing Service dated March 13, 2008.

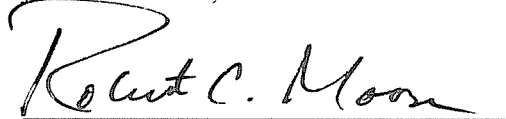
Respectfully Submitted,



Robert C. Moore
Hazelrigg & Cox, LLP
415 West Main Street, 1st Floor
P.O. Box 676
Frankfort, Kentucky 40602-0676

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by hand delivery on Executive Director, Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, Kentucky 40602 and Tiffany Bowman, Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, Kentucky 40602, and by first class mail, postage prepaid, on David Edward Spenard, Assistant Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Ky., 40601-8204, Beverly J. Hunt, 304 Peachtree Road, Frankfort, Kentucky 40601-8141, Kenny and Marilyn Glass, 223 Briarwood Drive, Frankfort, Kentucky 40601 and Mary Pennington, 210 Cherry Lane, Frankfort, Kentucky 40601, on this the 19th day of December, 2007.

A handwritten signature in cursive script that reads "Robert C. Moore". The signature is written in black ink and is positioned above a horizontal line.

Robert C. Moore

HAZELRIGG & COX, LLP

ATTORNEYS AT LAW

415 WEST MAIN STREET

P.O. Box 676

FRANKFORT, KENTUCKY 40602-0676

DYKE L. HAZELRIGG (1881-1970)

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WILLIAM P. CURLIN, JR.

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J. SCOTT MELLO

SARAH K. MELLO

FAX: (502) 875-7158

TELEPHONE: (502) 227-2271

December 20, 2007

Mr. Berl Robinson, Chairman
Farmdale Water District
90 Mill Road
Frankfort, Kentucky 40601

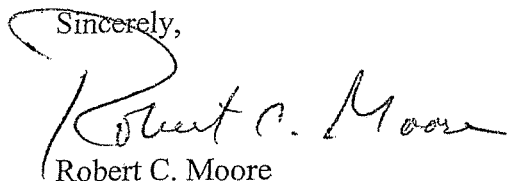
Re: Farmdale Development Corporation

Dear Mr. Robinson:

As we have previously discussed, I am counsel for Farmdale Development Corporation, which operates the Farmdale Wastewater Treatment Plant. The Public Service Commission is currently reviewing the amount billed to Farmdale's customers for billing and collection services providing by the Farmdale Water District. Please let me know whether the Farmdale Water District will agree to stop water service to one of its customers if the customer fails to pay its sewer bill even if you do not provide billing and collection services, and the charge for this service, as well as the charge for turning the water back on. Please note that pursuant to KRS 96.930 the user of water in any manner tending to contaminate it raises a duty to provide for the proper disposition of the waste water according to the highest public health standards and such duty includes full responsibility for paying the cost of such disposition. Agreeing to stop water service to a customer who fails to pay his or her sewer bill is certainly consistent with the provisions of KRS 96.930. I have enclosed a draft contract that has been entered into by other water utility companies providing for this service for your review.

I will be contacting you to discuss this matter and look forward to speaking with you at that time.

Sincerely,



Robert C. Moore

RCM/neb

cc: Carroll Cogan

AGREEMENT

This Agreement is entered into and effective this ____ day of December, 2007

by and between the [REDACTED] Utilities Commission ("PUC") whose address is [REDACTED]

[REDACTED] Kentucky 41240 and [REDACTED] [REDACTED]

[REDACTED]

[REDACTED] whose address is Hazelrigg & Cox, LLP, 415 W. Main Street, P.O. Box 676, Frankfort, Kentucky 40601.

WITNESSETH:

WHEREAS, pursuant to KRS 96.930, the General Assembly of the Commonwealth of Kentucky has declared the use of water, in any manner tending to contaminate it, raises a correlative public duty to provide for the proper disposition thereof according to the highest public health standards, and that such public duty includes full responsibility for paying the cost of such disposition; and

WHEREAS, [REDACTED] controls, operates, and maintains those certain sewer facilities located within [REDACTED] County, Kentucky, and more particularly the facilities contained within the [REDACTED] [REDACTED] ("A [REDACTED] customers"); and

WHEREAS, the [REDACTED] the authorized entity that supplies water to residents within the above-described communities; and

WHEREAS, certain residents in the above-described communities have demonstrated a refusal of timely pay for sewer services to [REDACTED] and

WHEREAS, in the best interests of public health, safety and general welfare, [REDACTED] has sought the assistance of [REDACTED] enforce collection of lawful rates and charges

SECTION THREE

Compensation to PUC

a. [REDACTED] shall pay [REDACTED] the sum of Twenty-Five Dollars (\$25.00) for each event in which [REDACTED] disconnects water service pursuant to a [REDACTED] Notice. [REDACTED] shall pay [REDACTED] the sum of Twenty-Five Dollars (\$25.00) for each event in which [REDACTED] connects water service at [REDACTED] request.

b. In instances in which [REDACTED] has received a notification from [REDACTED] and arrived at the premises in order to perform services but is directed by [REDACTED] not to discontinue service or reestablish service, [REDACTED] shall be entitled to receive the payments set forth above.

SECTION FOUR

Indemnity

[REDACTED] shall indemnify and hold harmless [REDACTED] for any and all claims caused, in whole or in part, by [REDACTED]'s negligence. It is further agreed and understood that [REDACTED] shall fully and completely and unconditionally indemnify and hold harmless [REDACTED] for any claims or causes of action asserted against [REDACTED] for discontinuing or reestablishing service under this Agreement.

SECTION FIVE

Liability for Failure to Discontinue Service

In the event [REDACTED] wrongfully fails or refuses to discontinue water service pursuant to a [REDACTED] notice and continues such failure or refusal for a period of thirty (30) days

after receipt of the notice, [REDACTED] shall be liable to [REDACTED] for the amount due from [REDACTED] customer involved from the effective date of the [REDACTED] Notice.

SECTION SIX

General Provisions

a. If any provision of this Agreement is determined to be unenforceable that determination shall not affect the enforceability of any other provisions of this Agreement.

b. This Agreement contains the entire agreement between the parties, and no statements, promises or inducements made by either party or agent of either party that are not contracted in this written contract shall be valid or binding; this Agreement may not be enlarged, modified or altered except in writing signed by the parties and indorsed on this Agreement.

c. It is mutually understood and agreed that this Agreement shall be governed by the laws of the Commonwealth of Kentucky, both as to interpretation and performance.

d. The Parties agree this Agreement is the result of mutual changes and the Rule of Construction against the drafter shall not apply.

In witness whereof, the Parties have executed this Agreement the day and year first above written.

[REDACTED]

BY: _____

ITS: _____

[REDACTED]

BY: *Spencer N. Williams*

ITS: [REDACTED]

COMMONWEALTH OF KENTUCKY
COUNTY OF [REDACTED]

Subscribed and sworn to before me by [REDACTED] an authorized representative
of the [REDACTED] Commission, on this the _____ day of December, 2007.

NOTARY PUBLIC

MY COMMISSION EXPIRES: _____

COMMONWEALTH OF KENTUCKY
COUNTY OF Franklin

Subscribed and sworn to before me by [REDACTED]
[REDACTED] Franklin Circuit Court, on this the 13th day of December, 2007.

Cindy J. Cannon
NOTARY PUBLIC

MY COMMISSION EXPIRES: 11-10-2010

02/07/2008 11:33 FAX

02/01/2008 13:00 2383329

COVERED BRIDGE IL

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PAGE 01

Rec'd 2/01/08
FI date

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DEBRA L. HAZLEBRIGG (1881-1970)
LOUISE COX (1907-1971)

FAX (502) 576-7158
TELEPHONE: (502) 227-2271

January 31, 2008

Mr. Berl Robinson, Chairman
Farmdale Water District
90 Mill Road
Frankfort, Kentucky 40601

Re: Farmdale Development Corporation

Dear Mr. Robinson:

Thank you for agreeing to speak with me on Thursday, January 31, 2008, concerning whether the Farmdale Water District would terminate water service to one of its customers pursuant to KRS 96.930 if a sewer bill is not paid where the water district is not handling the billing and collection services for the sewer company. Based on our telephone conversation, it is my understanding that the water district would not terminate water service to the customer. It is also my understanding that the water district does not wish to reconsider its decision declining to reduce the percentage charged for billing and collection services provided to Farmdale Development Corporation.

Again, thank you very much for speaking with me concerning this matter and please feel free to contact me if my understanding is incorrect.

Sincerely,


Robert C. Moore

RCM/neb

cc: Carroll Cogan

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FAX: (502) 875-7158

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Febryar 29, 2008

Via Facsimile - 1-812-923-1087

Cap Billing Service

6126 Coen Tush

Greenville, Indiana

Re: Farmdale Development Corporation ("Farmdale")

Dear Sir/Madam:

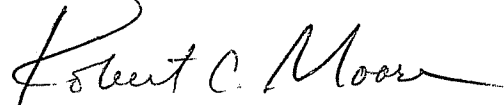
I am writing you to determine if your company is interested in performing billing and collection services for Farmdale. Farmdale owns and operates a wastewater treatment and collection system serving the Farmdale Subdivision in Frankfort, Franklin County, Kentucky. Farmdale has approximately 246 customers that receive separate sewer bills on a monthly basis. The base sewer rate is \$28 per month and there will be an additional surcharge of \$9.92 per month, for a total monthly bill of \$37.92 per month. The bills would issued on a monthly basis, with payment to made to your company, and the amounts remitted, with an accounting, would be provided to Farmdale at the end of each month. Based upon this information, please provide me with your quote to provide the requested billing and collection services to Farmdale:

- 1) What would be the cost to issue to the bills to the 246 persons at the addresses provided by Farmdale on a monthly basis, to receive the payments and to make the end of month accounting and payment to Farmdale at its offices in Louisville, Kentucky;
- 2) Would your company be able to determine the names and addresses of new customers of Farmdale;
- 3) Would your company be able to determine the names and addresses of individuals ceasing to customers of Farmdale;
- 4) Based upon your experience in the billing and collection industry, what is the estimated percentage of individuals that would not pay the sewer bill in a timely manner;
- 5) Based upon your experience in the billing and collection industry, what would be the estimated percentage of individuals that would fail to pay the sewer bill; and,
- 6) What would be the cost for your company to perform the collection of delinquent accounts.

Cap Billing Service
February 29, 2008
Page Two

Thank you for your attention to this request, and please feel free to call me if you have any questions concerning same.

Yours truly,

A handwritten signature in cursive script that reads "Robert C. Moore". The signature is written in black ink and is positioned above the printed name.

Robert C. Moore

RCM/neb
cc: Carroll Cogan

HAZELRIGG & COX, LLP

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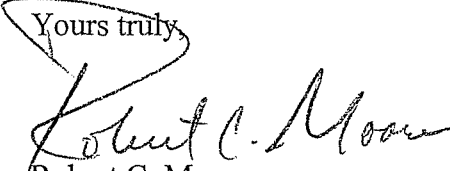
March 13, 2008

George Phelps
Cap Billing Service
6126 Coen Tush
Greenville, Indiana

Re: Farmdale Development Corporation ("Farmdale")

Dear Mr. Phelps:

Thank you for contacting me on Wednesday, March 12, 2008, concerning whether your company will be able to provide billing services to Farmdale Development Corporation. Based upon your statement that Cap Billing Service only performs medical billing and does not wish to handle funds due another company, it is my understanding that you do not wish to handle the billing and collection services for Farmdale. Thank you very much for your attention to this matter.

Yours truly,

Robert C. Moore

RCM/neb

cc: Carroll Cogan