

Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 50 Years

1400 Rogersville Road
Radcliff, KY. 40160

July 10, 2008

Ms. Stephanie Stumbo
Executive Director - Kentucky Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40620-0615

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PUBLIC SERVICE
COMMISSION

**SUBJECT: Initial Response - Request for Time Extension
Accounting Inspection Report**

Dear Director Stumbo,

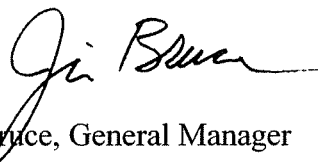
We have received your staff report regarding an Accounting Inspection which was started in November, 2007, and concluded recently with the report dated June 13, 2008. This inspection was in place of a Focused Management Audit originally ordered after Case No. 2001-00211, in 2001, but was never carried out by the Commission. The recent report requires the District to submit a response within 30 days, or July 13, 2008.

We respectfully request a 90 day extension to the July 13 date, or until October 13, 2008. This is due to several reasons; In April of this year, the District acquired the City of Radcliff, Wastewater Utility (Case No. 2008-00074). This has required significant procedural adjustments and accounting changes, which we are still implementing. Some of these changes will affect how we respond to some of the items in the report.

We have also asked our CPA firm to assist in answering some of the issues. Our CPA is primarily responsible for classifying expenses in the annual PSC report, so we need them to assist us in answering some of the questions in the report. Finally, some of the recommendations may require additional resources within our District, which will require our Board to review and approve, and again, their response may change how we respond to some of the concerns in the report.

We appreciate your consideration of our request. If you have any questions, please do not hesitate to call me at 270-351-3222.

Sincerely,



Jim Bruce, General Manager

Cf; Mr. William Rissel, Chairman, HCWD1