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July 8, 2008

David R. McDowell
Division of Filings
Public Service Commission
211 Sower Blvd
P.O. Box 615
Frankfort, KY 40602-0615

RECEIVED

JUL 10 2008

**PUBLIC SERVICE
COMMISSION**

Re: Case No. 2008-00232

Dear Mr. McDowell:

Pursuant to the deficiency letter dated June 27, 2008, enclosed please find two (2) copies of the Contract Documents and Specifications for the captioned project. It is my understanding after talking with Mr. James Rice that two (2) copies are sufficient. If the Commission needs additional copies, please contact me or Warner A. Broughman, III and these will be promptly furnished.

Your letter requires North Shelby to file the additional requested information within fifteen (15) days from the date of the letter. That will not be possible for the reasons to be explained in this letter, and North Shelby requests that the Commission process the application for a certificate of convenience and necessity in the absence of that information. The requested information will be obtained and filed prior to any final Commission action in this matter.

One of the filing deficiencies deals with approval from the Division of Water. I have been advised by Mr. Broughman that he was not aware DOW approval was required at the outset of this case. He has just recently filed for approval, but it will not be received for at least several weeks. Even if the Commission granted the requested certificate of convenience and necessity, commencement of construction of the subject property could not begin until DOW approval is obtained. The CON could be made conditioned upon receipt of approval from the DOW and filing this approval in the record of this case.

Another deficiency deals with state and county road encroachment permits. Almost all of the project involves county roads and the Shelby County permit has already been obtained. The new line under the Shelbyville By-pass has already been constructed as part of the utility relocation process for that road; therefore, only one state permit is needed. This permit has been requested and will be filed shortly.

The final deficiency relates to an estimated cost of operation after the proposed facilities are completed. As explained in paragraph 9 of the application, since the applicant is not borrowing any money, there is not expected to be any additional cost of operation after the proposed facilities are completed. Because the line will be a newly constructed line, there are not expected to be any maintenance expenses for a number of years.

Since this project is being largely financed by a 1.5 million dollar grant from the Kentucky Infrastructure Authority, and in order to minimize the chances that this grant might expire due to the passage of time, North Shelby Water Company respectfully requests that the Commission proceed with the instant case.

Yours truly,

MATHIS, RIGGS & PRATHER, P.S.C.

BY: 
Donald T. Prather

DTP/mew

Enc.

Cc: Darrell Dees; Warner A. Broughman, III; Duncan LeCompte
dtp/NSWC/transmission line/McDowell, David R. - letter