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December 22, 2009

Mr. Jeff Derouen
Executive Director
Public Service Commission
PO Box 615
Frankfort, KY 40602

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PUBLIC SERVICE
COMMISSION

RE: Case No. 2009-00373
Hopkinsville Water Environment Authority

Dear Mr. Derouen:

Without waiving any of its rights, the Hopkinsville Water Environment Authority (HWEA) has decided to forego the opportunity to submit a threshold legal issue to the Commission for a formal decision prior to the completion of the discovery phase of this case. The legal issue is:

In determining wholesale rate increases, are HWEA and Christian County Water District contractually, or otherwise, obligated to utilize the method set forth in the Settlement Agreement reached in the prior rate case?

The threshold legal issue is also set forth in paragraph 1 of HWEA's Motion to Schedule an Informal Conference filed on October 19, 2009 and was discussed at the Informal Conference held on October 29, 2009. It was also referenced in the Informal Conference Memorandum dated November 2, 2009.

In addition, HWEA requests that the deadline for responding to Commission Staff's First Information Request be extended until Friday, January 8, 2010. Because of the Christmas and New Year's holidays and previously scheduled vacations by key HWEA employees, it will be impractical for HWEA to file its Responses prior to January 8, 2010.

Should you need any additional information or if you have any questions, please let me know.

Yours truly,

DAMON R. TALLEY, P.S.C.

A handwritten signature in cursive script that reads "Damon R. Talley". The signature is written in black ink and is positioned above a horizontal line.

DAMON R. TALLEY, Counsel For
Hopkinsville Water Environment Authority

DRT:ms

cc: Hon Jack Hughes, Attorney for CCWD
James Owen, General Manager, CCWD
Hopkinsville Water Environment Authority