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December 30, 2015

Jeff Derouen
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

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PUBLIC SERVICE
COMMISSION

Re: Case No. 2014-00342

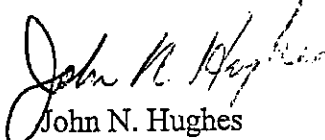
Dear Mr. Derouen:

In the final order in this case, the Commission ordered Mountain Water District (MWD) to comply with several requirements related to the issuance of a Request for Proposals (RFP) for the purpose of rebidding its contract service for management. MWD has begun the process, but has determined that there are several issues that make compliance with the order problematic. For example, only one response was received for the independent consultant's RFP and it is conditioned upon a significant modification of the time schedule required in the order.

The schedule proposed by MWD to meet the Commission's timeline accounted for the notice and termination clauses in the UMG contract. The modifications conditioned in the RFP response, not only affect the Commission's expectations, but affect MWD's ability to address the timing of the termination of that contract.

MWD would like to schedule a conference to discuss the options for meeting the Commission's dictates and to address possible alternatives to complying with the order prior to the next MWD board meeting on January 20th. At this stage of the process, any delay has a significant impact on MWD's notice requirements in the UMG contract. A conference with the staff and Attorney General will help clarify the opportunities for achieving the objectives of the order.

A copy of this letter has been delivered to the Attorney General's Office of Rate Intervention.


John N. Hughes

Attorney for Mountain Water District