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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Alleged Failure of the City of Danville To Comply) Case No. 2008-00176
with KRS 278.160 and 278.180 And the
Commission's Order of August 10, 1994 In)
Administrative Case No. 351)

Response of Parksville Water District

To Commission's Order of September 25, 2009

Parksville Water District, by counsel, pursuant to the Commission's Order of September 25, 2009 submits the following response. The Order finds that Danville should be penalized for failure to comply with KRS 278.160 and the Order of August 10, 1994 in Case No. 351. Penalties for violating Commission statutes and regulations are the enforcement mechanism provided in KRS 278.990. It has been clear from the outset of this case and the companion case filed by Parksville against the city - Case No. 2007-00405 filed in September, 2007 - that Danville did not follow Commission regulations when increasing its wholesale water rate to Parksville.

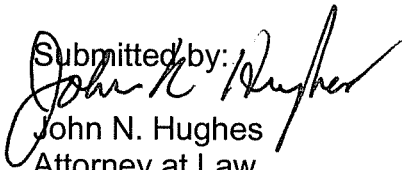
The Commission has now made a finding of fact that Danville should be penalized. There is no response that Parksville can provide that is relevant to that issue or that can change the finding. The facts are sufficient for the Commission to make a finding of violation and it has done so.

Parksville was over-billed by Danville from August, 2005 to November, 2008 by over \$38,000. After long and difficult discussions with

Danville, Parksville was able to reach a settlement to recover the over-billings. That settlement was submitted to the Commission on June 1, 2009. There was no provision for penalties in the settlement. Parksville has no authority to impose such penalties or to force Danville to voluntarily pay penalties for its violations of Commission regulations.

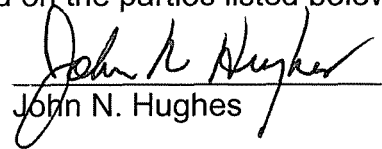
At this stage of the proceedings, Parksville has negotiated in good faith a reasonable settlement which recovers a portion of the lost revenue associated with Danville's unlawful conduct. It has not recovered interest on the over-billings or the legal fees associated with the litigation of this matter. However, the settlement provided for the immediate repayment of the billing over-charges, which spared Parksville additional expenses and delay in the recovery of the money paid to Danville.

Parksville simply wants to recover the money that was improperly billed by Danville. The settlement as filed accomplished that. The issue of penalties to Danville is one exclusively for the Commission. Parksville wants this matter to be resolved quickly and in a manner that allows it to recover its money without further proceedings or delay.

Submitted by: 
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Certificate:

I certify that a copy of this pleading was served on the parties listed below by first class mail the 5th day of October, 2009.


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