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June 20, 2008

Stephanie Stumbo  
Executive Director  
Public Service Commission  
211 Sower Blvd  
Frankfort, KY 40601

RECEIVED  
JUN 20 2008  
PUBLIC SERVICE  
COMMISSION

Re: Case No. 2008-00176

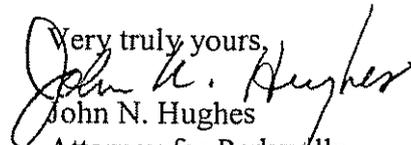
Dear Ms. Stumbo:

In its order of May 22, 2008 in Case No. 2008-00176: "Alleged Failure of the City of Danville to Comply with KRS 278.160 and 278.180 and the Commission's Order of August 10, 1994 in Administrative Case 351", the Commission directed Danville to immediately cease charging any rate to its public utility wholesale customers that differs from its purchased water contract.

Attached is the current bill from Danville to Parksville Water District. The bill appears to be based on the rate Danville has been charging since August 16, 2007. That rate seems to conflict with the Commission's May 22, 2008 order. Parksville understood the order to require Danville to charge the rate that was in effect in June, 2005, prior to the recent improper rate changes by the city.

Also attached is a calculation of the current bill using the rate charged by Danville and the calculated amount using the rate that Parksville believes to be the proper rate according to the May order. There is a difference in each calculation by Danville of its bill that Parksville cannot explain. Because the bill does not include the rate used, Parksville cannot accurately determine what rate was used or how the bill was calculated.

There appears to continue to be a problem with the rate, method and accuracy of the billing by the city, which the Commission should expeditiously investigate pursuant to the May 22<sup>nd</sup> order.

Very truly yours,  
  
John N. Hughes  
Attorney for Parksville  
Water District

CC: Lake Village Water Association  
Garrard Co. Water Association

City of  
**DANVILLE**

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P.O. Box 670  
Danville, KY 40423  
(859) 238-1200

**KENTUCKY**

From 5-1-08 to 6-1-08  
Due 7-10-08

PARKSVILLE WATER\*  
PO BOX 9\*  
PARKSVILLE KY 40464  
USA

Stmt date Customer #  
=====   
06/18/08 10

PARKSVILLE KY

Date	Meter nbr	Current reading	Prior reading	Meter units	Mult
06/18/08	1	1,124,770	95,330	1029,440	1
06/18/08	3	29,364,00	26,100,80	1,263,200	1

Date	Code	Description	Units	Unit price	Amount
06/18/08		Previous balance			
06/18/08	15	KY RIVER AUTHORITY TAX			216.59
00/00/00	100	WATER SALES	1,312,640		14,263.93
00/00/00	120	REGION SURCHARGE	1,312,640		2,852.56

Current	30 Days	60 Days	90 & over	Interest	Balance due
17,333.08		.00	.00	.00	17,333.08

Please Remit a Copy with Payment. Thank You.

**"The City of Firsts"**

First Courthouse in Kentucky - 1785  
First U.S. Post Office in the West - 1792  
First Successful Ovariectomy in the World - 1809

First Capitol of Kentucky District - 1785  
First Political Club in the West - 1786  
First Constitutional Convention in the West - 1792

First College in the West - 1783  
First Law School in the West - 1799  
First State Supported School for Deaf - 1823

**Parksville Water District  
Calculated Water Billing Compared to Actual Billing  
May 2008**

**Rates used for calculation are rates provided by City of Danville in Case no. 2007-00405  
Effective date of rates: 08/16/07 to present**

1st	20,000 cu. ft.	0.018398
Next	80,000 cu. ft.	0.014784
Next	100,000 cu. ft.	0.011498
Next	300,000 cu. ft.	0.010514
Over	500,000 cu. ft.	0.009966

Cubic Feet	Water Amount	Calculated Amount			Total	Water Amount	Actual Billed Amount			Total	Difference
		20% Surcharge	KY River Authority				20% Surcharge	KY River Authority			
1,312,640	13,953.45	2,790.69	216.59	16,960.73	14,263.93	2,852.56	216.59	17,333.08	372.35		

**Parksville Water District  
Calculated Water Billing Compared to Actual Billing  
May 2008**

**Rates used for calculation are rates provided by City of Danville in Case no. 2007-00405  
Calculated Amount based on rates in effect June 2005**

1st	20,000 cu. ft.	0.016800
Next	80,000 cu. ft.	0.013500
Next	100,000 cu. ft.	0.010500
Next	300,000 cu. ft.	0.009600
Over	500,000 cu. ft.	0.009100

Cubic Feet	Water Amount	Calculated Amount			Total	Water Amount	Actual Billed Amount			Total	Difference
		20% Surcharge	KY River Authority				20% Surcharge	KY River Authority			
1,312,640	12,741.02	2,548.20	216.59	15,505.81	14,263.93	2,852.56	216.59	17,333.08	1,827.27		