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July 8, 2013

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333 West Vine Street, Suite 1400
Lexington, KY 40507

David S Samford, Esq.
Goss Samford, PLLC
2365 Harrodsburg Road, Suite B325
Lexington, KY 40504

David Edward Spenard, Esq.
Assistant Attorney General
Office of the Attorney General Utility & Rate
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601-8204

Re: Case No. 2013-00172
Fern Lake Company

Gentlemen:

The enclosed electronic emails have been filed in the record of the above-referenced case. Any comments regarding the content should be submitted to the Commission within five days of receipt of this letter. Any questions regarding the electronic emails should be directed to Ann Ramser, Staff Attorney, at (502) 782-2585.

Sincerely,


Jeff Derouen
Executive Director

AR/kar
Enclosures

Ramser, Ann (PSC)

From: Allyson Honaker <allyson@gosssamfordlaw.com>
Sent: Friday, July 05, 2013 11:07 AM
To: Ramser, Ann (PSC)
Subject: Re: Case Number 2013-00172 Fern Lake Company

Thank you. If I get everything ready before then I will file sooner.

On Jul 5, 2013, at 11:04 AM, "Ramser, Ann (PSC)" <Ann.Ramser@ky.gov> wrote:

Allyson,

You may file the requested information on Wednesday, July 10, 2013.

Have a good weekend.

Ann Ramser
Staff Attorney
Office of General Counsel
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601
(502) 782-2585

From: Allyson Honaker [<mailto:allyson@gosssamfordlaw.com>]
Sent: Friday, July 05, 2013 10:16 AM
To: Ramser, Ann (PSC)
Subject: Case Number 2013-00172 Fern Lake Company

David Samford is on vacation and asked that I contact you regarding the responses to the information you requested via email on June 26, 2013. You had asked if the responses could be filed today. Our client has sent the documents via Federal Express to our office, however due to the holiday yesterday they are not arriving in our office until today. I have not yet had a chance to review those documents to see if they contain any confidential information. Would it be possible to get an extension on these until early next week? I should be able to have them filed by Wednesday, possibly earlier if all the information is contained in the packet I receive today.

Thank you.

L. Allyson Honaker

<image001.png>

2365 Harrodsburg Road, Suite B-325
Lexington, Kentucky 40504
(859) 368-7740 (o)
(859) 396-3172 (c)

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Ramser, Ann (PSC)

From: David Samford <david@gosssamfordlaw.com>
Sent: Thursday, June 27, 2013 1:38 PM
To: Ramser, Ann (PSC)
Cc: Wuetcher, Jerry (PSC); Lawless, Scott (PSC); Parks, Daryl T (PSC); Frost, Mark C (PSC)
Subject: RE: Case No. 2013-00172 Fern Lake Company

Ann,

I'll check to see if Sal will be able to get everything together by the 5th and let you know if we need to request additional time.

Thanks,

David S. Samford



2365 Harrodsburg Road, Suite B325
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(859) 806-6567 (c)

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From: Ramser, Ann (PSC) [mailto:Ann.Ramser@ky.gov]
Sent: Thursday, June 27, 2013 11:20 AM
To: David Samford
Cc: Wuetcher, Jerry (PSC); Lawless, Scott (PSC); Parks, Daryl T (PSC); Frost, Mark C (PSC)
Subject: RE: Case No. 2013-00172 Fern Lake Company

David,

Please file the requested information by Friday, July 5, 2013. I realize that the July 4th holiday is next week. Let me know if this is not sufficient time to gather and file the requested information.

Once the information is filed, Mark will contact Mr. Sal Gaudiano to schedule a time to discuss any issues regarding the information.

Thank you.

Ann Ramser
Staff Attorney
Office of General Counsel
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601
(502) 782-2585

From: David Samford [mailto:david@gosssamfordlaw.com]
Sent: Wednesday, June 26, 2013 3:55 PM
To: Ramser, Ann (PSC)
Cc: Wuetcher, Jerry (PSC); Lawless, Scott (PSC); Parks, Daryl T (PSC); Frost, Mark C (PSC)
Subject: RE: Case No. 2013-00172 Fern Lake Company

Ann,

Please feel free to have Mark contact Mr. Sal Gaudiano, Fern Lake's CFO, at (865) 207-1941 to schedule the review. When will you need the information requested in your email to be filed as part of the record?

Have a good day,

David S. Samford



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From: Ramser, Ann (PSC) [mailto:Ann.Ramser@ky.gov]
Sent: Wednesday, June 26, 2013 11:30 AM
To: David Samford

Cc: Wuetcher, Jerry (PSC); Lawless, Scott (PSC); Parks, Daryl T (PSC); Frost, Mark C (PSC)
Subject: Case No. 2013-00172 Fern Lake Company

David,

The Commission needs to schedule a limited review of Fern Lake's 2012 financial records. Mark Frost sent an email to appolofuels@kyn.twcbc.com on June 6, 2013 but Mark has not received a response. Please let me know who Mark should contact to schedule the review.

During the Commission Staff's limited review of the 2012 financial information, the following records need to be provided:

1. A legible copy of the monthly billing registers for January 2012 through December 2012. The billing registers should show individual customers, usage, and amount billed. The preferred medium is to provide the customer billing information on a computer disk in Microsoft Office Excel format.
2. A calendar year 2012 general ledger showing account number, subaccount number, account title, subaccount title, and all entries to each account. For each entry state the date paid, vendor name, check number used to make payment and the amount. The general ledger shall include all asset, liability, capital, income, and expense accounts used. All accounts should show activity for 12 months. Show the balance in each control account and all underlying subaccounts per company books. The 2012 general ledger should be provided on a computer disk in Microsoft Office Excel format.
3. For each cash account used during the calendar year 2012, provide a cash disbursements ledger that lists all checks in chronological order and details the date paid, check number, vendor, and amount. The 2012 cash disbursements ledger should be provided on a computer disk in Microsoft Office Excel format.
4. A copy of the audited financial statements for the 12-month period ending December 31, 2012. Include a copy of the auditor's work papers and all audit adjustments made to the financial statements.
5. a. A list of all employees employed during the calendar year 2012. For each employee listed, provide the following:
 - (1) Name.
 - (2) Title.
 - (3) Length of employment.
 - (4) Job duties.
 - (5) The pay rate in effect during the calendar year 2012 and the pay rate that is currently in effect. Also, state the date the current pay rates became effective and provide the percentage increases. Include a copy of the Board of Commissioner minutes where they authorize the employee pay raises.
 - (6) For each employee, provide the regular time worked and overtime worked during the calendar year 2012.
 - (7) Percentage of the calendar year 2012 payroll that was capitalized. Provide a detailed explanation if Fern Lake did not capitalize any of its payroll during the calendar year 2012.
 - (8) Total calendar year 2012 payroll that was expensed and capitalized.

b. A copy of the employee information requested in 5(a) on a computer disk in Microsoft Office Excel format.

c. Identify any employees listed in the response to 5(a) that are no longer employed. State if the vacant position has been filled and provide the information requested in 5(a) for the new employee. If the position has not been filled state when you expect to hire a new employee or state if the position will remain vacant.

6. a. A detailed list of all fringe benefits available to all employees and the actual cost of each benefit for the calendar year 2012 and the current cost of each fringe benefit. Indicate which fringe benefits, if any, are limited to management or full-time employees. Explain any changes in fringe benefits that have occurred since December 31, 2011.

b. The most recent vendor invoice for each insurance coverage that Fern Lake provides to its employees. The invoice shall list employees individually by name and state clearly the type and cost of the coverage provided. Identify if the employee is responsible to pay for a portion of the insurance coverage and identify the amount each employee is responsible to pay.

7. A schedule listing Fern Lake's insurance coverages, including type of coverage (i.e.; vehicle insurance, general liability insurance, and workers' compensation), annual premiums, and effective dates. Also include copies of the invoices Fern Lake received in 2012 and 2013.

Thank you.

Ann Ramser
Staff Attorney
Office of General Counsel
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(502) 782-2585