



Steven L. Beshear
Governor

David L. Armstrong
Chairman

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

James W. Gardner
Vice Chairman

Linda Breathitt
Commissioner

April 25, 2014

PARTIES OF RECORD

Re: Case No. 2014-00039
Application of U.S. 60 Water District of Shelby and Franklin Counties, Kentucky
for New Nonrecurring Charges and an Increase in Existing Nonrecurring Charges

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Ann Ramser, Staff Attorney, at (502) 782-2585.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

ALR/kar
Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case No. 2014-00039
U.S. 60 Water District of Shelby and Franklin Counties

FROM: Ann Ramser
Staff Attorney

DATE: April 24, 2014 *ahr*

RE: Informal Conference of April 24, 2014

Pursuant to the Commission Staff's Notice of April 23, 2014, an informal conference was held in Case No. 2014-00039 on April 24, 2014. A copy of the attendance roster is attached to this memorandum.

Ms. Ramser began the informal conference by explaining that a memorandum of the meeting would be prepared.

Mr. Prather explained the relationship between U.S. 60 Water District of Shelby and Franklin Counties ("U.S. 60") and North Shelby Water Company ("North Shelby"). The nonrecurring charges filed by U.S. 60 mirrored the charges previously filed by North Shelby.

North Shelby and U.S. 60 operate from the same building. U.S. 60 does not have any employees. A management contract exists between North Shelby and U.S. 60. Expenses are allocated based on the number of customers for each utility. U.S. 60 has its own board and contracts for legal and accounting services. U.S. 60 and North Shelby use the same lawyer and the same accountant. The two utilities currently use different engineering firms. In the past, the two utilities used the same engineering firm and may do so again in the future.

Mr. Prather then explained that U.S. 60 learned that North Shelby had failed to bill U.S. 60 for all labor costs incurred for nonrecurring charges. U.S. 60 realized its actual costs were more than the amount requested in this case. In addition, U.S. 60's Board of Commissioners voted to start installing radio read meters. The radio read meters are more expensive than meters previously used. U.S. 60 will file a motion to amend the nonrecurring charges currently pending in this case.

By May 5, 2014, U.S. 60 will file the rest of the information requested in Commission Staff's First Request for Information. Once the additional information is received, Commission Staff will issue a second data request.

There being no further discussion, the conference was adjourned.

Attachment – Attendance Roster
cc: Parties of Record

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF U.S. 60 WATER DISTRICT OF)
SHELBY AND FRANKLIN COUNTIES, KENTUCKY) CASE NO.
FOR NEW NONRECURRING CHARGES AND AN) 2014-00039
INCREASE IN EXISTING NONRECURRING)
CHARGES)

Please sign in:

NAME	REPRESENTING
<u>Ann Ramsey</u>	<u>PSC</u>
<u>GEORGE W. WAKIM</u>	<u>"</u>
<u>Sam Reid</u>	<u>PSC</u>
<u>Don Prather</u>	<u>US60 Water District</u>
<u>David Hedges</u>	<u>US60 Water District</u>
<u>Jeremy Cormack</u>	<u>US 60 Water District</u>