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Charles R. Borders
Commissioner

July 29, 2011

Mr. Carroll F. Cogan
Farmdale Development Corporation
P. O. Box 91588
Louisville, Kentucky 40291

Robert C. Moore, Esq.
Hazelrigg & Cox, LLP
415 West Main Street
P.O. Box 676
Frankfort, Kentucky 40602

Re: Case No. 2011-00048
Farmdale Development Corporation

Gentlemen:

The enclosed memorandum has been filed in the record of the above-referenced case. Any comments regarding this memorandum's contents should be submitted to the Commission within five days of receipt of this letter. Any questions regarding this memorandum should be directed to Gerald Wuetcher, Executive Advisor, at (502) 564-3940, Extension 259.

Sincerely,

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

Jeff Derouen
Executive Director

gw
Enclosure

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2011-00048

FROM: Gerald Wuetcher **GEW**
Executive Advisor

DATE: July 28, 2011

RE: Conference of July 28, 2011

On July 28, 2011, Commission Staff held a conference in this case in the Commission's offices in Frankfort, Kentucky. Present were:

Carroll F. Cogan	-	Farmdale Development Corporation
Jack Kaninberg	-	Farmdale Development Corporation
Robert Moore	-	Farmdale Development Corporation
Jennifer Blackhans	-	Office of Attorney General
David Edward Spenard	-	Office of Attorney General
Eddie Beavers	-	Commission Staff
Sam Bryant	-	Commission Staff
James Rice	-	Commission Staff
Gerald Wuetcher	-	Commission Staff

By its Order of June 21, 2011, the Commission ordered that the conference be convened.

Beginning the conference, Mr. Wuetcher stated that Commission Staff would prepare minutes of the conference for the case record, that a copy of these minutes would be provided to all parties, and that all parties would be given an opportunity to submit written comments upon those minutes. Farmdale Development and Commission Staff agreed that, although the Attorney General was not a party to this case, Mr. Spenard and Ms. Blackhans could attend the conference as observers. Mr. Moore then provided Commission Staff with the published notice of the hearing that is scheduled in this matter for August 4, 2011. A copy of this notice is attached.

The participants began discussing the areas of disagreement between Farmdale Development and Commission Staff regarding the proposed rate adjustment. After lengthy discussion regarding these positions, representatives of Commission Staff and Farmdale Development reached agreement upon a pro forma level of expenses (\$92,468) and a total revenue requirement (\$112,743). They further agreed that the appropriate rate to be assessed should be \$40.15 per month. Finally, they agreed that

Case File No. 2011-00048
July 28, 2011
Page 2

the scheduled hearing should be cancelled and that a settlement agreement should be filed with the Commission no later than August 5, 2011.

The conference then adjourned.

cc: Parties of Record
Attachment

Legal Notice**NOTICE OF
FORMAL HEARING**

Farmdale Development Corporation hereby provides notice that a formal hearing concerning its application for an adjustment in rates in the Alternative Rate Filing of Farmdale Development Corporation, Case No. 2011-00048, will be held by the Kentucky Public Service Commission on Thursday, August 4, 2011, at 10:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.

07/27/11