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David L. Armstrong
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Vice Chairman

Linda Breathitt
Commissioner

July 29, 2014

PARTIES OF RECORD

Re: Case No. 2013-00251
Louisville Water Company and Hardin County Water District No. 1

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,



Jeff Derouen
Executive Director

ALR/sh

Attachment

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2013-00251
FROM: Ann Ramser, Staff Attorney
DATE: July 29, 2014
RE: Informal Conference of July 17, 2014

Pursuant to Commission Staff's June 10, 2014 Notice, an informal conference was held in this matter on July 17, 2014. Attached is a copy of the attendance roster.

The informal conference was held jointly with the parties from Case Nos. 2013-00250¹ and 2013-00252² because all three cases involved an evidence of indebtedness issue. Each case had at least one issue in addition to the evidence of indebtedness issue. Representatives from Hardin County Water District No. 1 ("Hardin County No. 1) and Louisville Water Company ("LWC") both gave permission to discuss issues relevant solely to Case No. 2013-00251 at the joint informal conference.

Hardin County No. 1 has a \$4.5 million grant that they need to start drawing by December 14, 2014. The process of obtaining the necessary easements has begun. Hardin County No. 1 indicated that they are in the process of seeking permits from the Division of Water and Corps of Engineer.

The parties were advised that the Commission is aware of the parties' concern regarding the delay in a decision being issued. Commission Staff indicated that a decision would be issued as quickly as possible regarding the evidence of indebtedness issue.

Ms. Ramser advised the parties that generally, the supplier files the contract at issue. In this case, Hardin County No. 1 filed the contract at issue.

The Contract between Hardin County No. 1 and LWC contains a system development charge. Ms. Ramser advised that the parties need to comply with 807 KAR 5:090 regarding system development charges. The parties indicated that they would review 807 KAR 5:090 and might decide to amend the contract and remove the system development charge.

Ms. Ramser advised that when a special contract indicates the necessity of a certificate of public convenience and necessity ("CPCN"), the application for a CPCN

¹ Case No. 2013-00250, Investigation into the Proposed Water Supply Agreement between Frankfort Electric and Water Plant Board and South Anderson Water District (opened Jul. 3, 2013).

² Case No. 2013-00252, Investigation into the Proposed Water Purchase Agreement Between Louisville Water Company and Hardin County Water District No. 2 (opened Jul. 3, 2013).

and the contract are generally reviewed at the same time.³ Hardin County No. 1 advised that an application for a CPCN will be filed later this year or early next year.

There being no further issued, the informal conference then ended.

Attachment

³ Case No. 98-339, Kentucky-American Water Company Special Contract with Louisville Water Company (Ky. PSC Dec. 23, 1998).

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION INTO THE PROPOSED WATER)
PURCHASE AGREEMENT BETWEEN LOUISVILLE) CASE NO.
WATER COMPANY AND HARDIN COUNTY) 2013-00251
WATER DISTRICT)

Please sign in:

NAME	REPRESENTING
<u>DAVID WILSON</u>	<u>HCAWS 1</u>
<u>Barbara Dulcens</u>	<u>LWC</u>
<u>JIM BRUCE</u>	<u>HCAWS 1</u>
<u>Jim Snider</u>	<u>LWC</u>
<u>Amber Halloran</u>	<u>LWC</u>
<u>Eddie Beavers</u>	<u>PSC Staff</u>
<u>Ann Ramsey</u>	<u>PSC Staff</u>
<u>Scott Lowless</u>	<u>" "</u>