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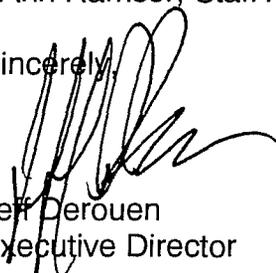
July 29, 2014

PARTIES OF RECORD

Re: Case No. 2013-00252
Louisville Water Company and Hardin County Water District No. 2

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. 2013-00252
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 2013-00251² 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. 2 ("Hardin County No. 2") and Louisville Water Company ("LWC") both gave permission to discuss issues relevant solely to Case No. 2013-00252 at the joint informal conference.

The Division of Water has approved the project plans. The estimated \$15 million project is to be funded with a \$5 million grant from the Base Realignment Authority Committee; a loan not to exceed \$5 million from the Rural Utilities Service; a \$5 million grant from the Kentucky Infrastructure Authority; and Hardin County District No. 2 providing the remaining amount. Hardin County No. 2 has received the Letter of Conditions dated May 5, 2014 from the United States Department of Agricultural, Rural Development for the Rural Utilities Service loan.³ Hardin District No 2 has 210 days from May 5, 2014 to comply with the conditions in the letter.

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 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. 2013-00251, Investigation into the Proposed Water Purchase Agreement between Louisville Water Company and Hardin County Water District No. 1 (opened Jul. 3, 2013).

³ Letter from Thomas G. Fern, State Director, United States Department of Agriculture, Rural Development, to Mike Bell, Chairman, Hardin County Water District No. 2 (May 5, 2014).

and the contract are generally reviewed at the same time.⁴ Hardin County No. 2 advised that an application for a CPCN will be filed towards the end of this year.

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

Attachment

⁴ 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) 2013-00252
WATER DISTRICT NO. 2)

Please sign in:

NAME

REPRESENTING

Barbara Bullock

LWC

DANON Talley

HCWD 2

James Jeffries

HCWD 2

Tom Smith

LWC

Amber Halloran

LWC

Eddie Beavers

PSC Staff

Orin Ramsey

PSC Staff

Scott Lowless

" "