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October 26, 2009

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300 West Vine Street
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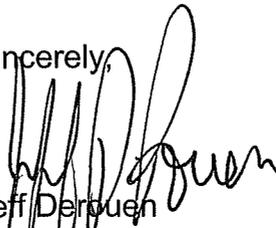
David Spenard, Esq.
Office of Attorney General
Suite 200
1024 Capital Center Drive
Frankfort, Kentucky 40601-8204

Re: Case No. 2009-00359
Kentucky-American Water Company

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,


Jeff Derouen
Executive Director

gw
Enclosure

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2009-00359

FROM: Gerald Wuetcher
Executive Advisor

DATE: October 22, 2009

RE: Teleconference of October 22, 2009

At the end of the informal conference held on October 13, 2009, the parties and Commission Staff agreed to reconvene by conference call to discuss possible means of resolving Kentucky-American Water Company's alleged violations of Condition 32 of the Commission's Order of December 20, 2002 in Case No. 2002-00317. On October 22, 2009, Commission Staff conducted this conference call. Participating were:

David Spenard	-	Office of Attorney General
Dennis Howard	-	Office of Attorney General
Lindsey Ingram III	-	Kentucky-American Water Company
A.W. Turner	-	Kentucky-American Water Company
Mark Frost	-	Commission Staff
Gerald Wuetcher	-	Commission Staff

During this call Kentucky-American Water Company's representatives presented a proposal for resolving the alleged violations. The Attorney General's representatives and Commission Staff discussed various aspects of this proposal and the procedures for formally presenting the proposal to the Commission. At the conclusion of these discussions, Kentucky-American Water Company's representatives advise that the utility would further refine its proposal and then file it with the Commission.

The conference then adjourned.

cc: Parties of Record