



Steven L. Beshear
Governor

Robert D. Vance, Secretary
Environmental and Public
Protection Cabinet

Larry R. Bond
Commissioner
Department of Public Protection

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

Mark David Goss
Chairman

John W. Clay
Vice Chairman

Caroline Pitt Clark
Commissioner

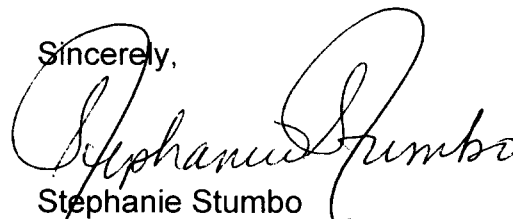
May 5, 2008

PARTIES OF RECORD:

Case Nos. 2008-00040 and 2008-00042
Cedarbrook Utilities, LLC

Attached is a copy of the informal conference memorandum which is being filed in the record of the above-referenced case. If you wish to make any comments regarding the contents of the memorandum, please do so within five days of receipt of this letter. Should you have any questions regarding the memorandum, please contact Todd Osterloh at 502/564-3940, Extension 439.

Sincerely,



Stephanie Stumbo
Executive Director

MTO:v

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2008-00040
Case File No. 2008-00042

FROM: J.R. Goff, Staff Attorney 
M. Todd Osterloh, Staff Attorney ^{MT?}

DATE: May 5, 2008

RE: Conference of April 30, 2008

On April 30, 2008, the Commission Staff held a conference in these cases in the Commission's offices in Frankfort, Kentucky. R.A. Williams Construction Company ("Williams") and Cedarbrook Utilities, LLC ("Cedarbrook") requested this meeting to discuss their application for the approval of an ownership transfer of a wastewater treatment facility and Williams's application for a rate adjustment. Those participating in the conference are listed on the attached sheet.

The discussion regarding the transfer case centered around Staff's concern that the record failed to demonstrate Cedarbrook's financial abilities to provide reasonable service as an acquiring entity, as required by KRS 278.020(5). Staff is particularly concerned with Cedarbrook's reliance on an unapproved rate increase as evidence to support the entity's financial ability to own and operate the facility. In addition, Staff raised questions as to Cedarbrook's plan to address problems in the facility identified by the Division of Water.

With respect to the rate application, the individuals discussed the differences between the rate sought in the application and the rate recommended in the Staff Report. As suggested in their written comments to the Staff Report, the parties were concerned that the Staff Report should have included other figures that were not included within the original application, which was prepared with the assistance of Commission Staff. Commission Staff suggested that Williams either amend the rate application to include all figures to be considered by the Commission or withdraw the application and file a new one.

cc: Parties of Record

