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

April 10, 2008

Mark David Goss Chairman

> John W. Clay Vice Chairman

Caroline Pitt Clark Commissioner

PARTIES OF RECORD: Case No. 2008-00074 Hardin County Water District No. 1

Attached is a copy of the teleconference 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 James R. Goff at 502/564-3940, Extension 261.

Sincere phanie L. Stumbo

Executive Director

vh/



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INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: File: Case No. 2008-00074

FROM: J. R. Goff, Staff A

J. R. Goff, Staff Attorney \mathcal{L}

DATE: April 10, 2008

RE: Hardin County Water District No. 1 Transfer Ownership City of Radcliff Sanitary Sewer System and Assumption of Debt

On April 8, 2008, a telephone conference was held with Commission Staff and the parties in this matter. Those participating in the conference are listed the attached sheet.

Hardin County Water District No. 1 ("Hardin District") expressed two concerns regarding its filing and the transfer: (1) any issues of Commission Staff that Hardin District could answer, and (2) time issues for the completion of the transfer. Both Hardin District and Veolia Water, its system's operator, stated they were making commitments and expending funds based upon the transfer.

Staff did have some questions about the tariff provisions filed by Hardin District. It appeared that the tariff sheets filed with the application did not meet the required notice provisions of KRS 278.180. Hardin District was advised that due to the accepted filing date of March 28, 2008, the requested effective date of its tariff, April 13, 2008, was insufficient and that the tariff effective date should be revised to become effective no sooner than April 17, 2008.

Staff requested the status of Hardin District's debt for the League of Cities. Hardin District stated that, while there was some question from bond counsel, there was no real problem for the assumption.

For determination of the possible need for a Certificate of Public Convenience and Necessity, Staff also requested that Hardin District file a list of its planned construction projects for the Radcliff Sewer System that are not yet under construction, stating the cost and method of funding.

Staff stated its opinion that, due to the status of the parties involved in the transfer, Commission approval of the proposed transfer would not be required, but that the debt assumption would require Commission approval.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE HARDIN COUNTY WATER DISTRICT NO. 1 FOR APPROVAL TO TRANSFER OWNERSHIP OF THE CITY OF RADCLIFF, KENTUCKY SANITARY SEWER SYSTEM, ASSUME EXISTING DEBT, AND FOR PROPOSED TARIFF TO PROVIDE SEWER SERVICES TO THE CITY OF RADCLIFF

CASE NO. 2008-00074

April 8, 2008 Informal Conference

The following participated in the telephone conference:

NAME

Hon. David Wilson Jim Bruce Brett Pyles Rob Nickolas Kath Weiser Chance Fox Hon. Mike Pike

Hon. David Spenard

James R. Goff Mark Frost Brent Kirtley Brian Rice James Rice Jason Green

REPRESENTING

Attorney for Hardin No. 1 Gen Mgt. Hardin No. 1 Ops for Hardin No. 1 Veolia Water, NA City of Radcliff City of Radcliff Attorney for City of Radcliff

Office of Attorney General

PSC Staff PSC Staff PSC Staff PSC Staff PSC Staff PSC Staff