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David L. Armstrong  
Chairman

James W. Gardner  
Vice Chairman

John W. Clay  
Commissioner

January 19, 2011

## PARTIES OF RECORD

Re: Case No. 2009-00500

Attached is a copy of the 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 informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact M. Todd Osterloh at 502-564-3940, Extension 439.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen  
Executive Director

TO/kar  
Attachment

## INTRA-AGENCY MEMORANDUM

### KENTUCKY PUBLIC SERVICE COMMISSION

**TO:** Case File

**FROM:** Todd Osterloh, Staff Attorney

**DATE:** January 19, 2011

**RE:** Case No. 2009-00500  
Application of Ridgelea Investments, Inc., for Alternate Rate Adjustment  
Conference of January 5, 2011

On January 5, 2011, Commission Staff held an informal conference at the request of Ridgelea Investments, Inc., to discuss the utility's rate application. The following individuals participated in the informal conference:

Charles Hungler	Ridgelea Investments, Inc.
Jack Kaninberg	Ridgelea Investments, Inc.
David Spenard	Office of the Attorney General
Mark Frost	PSC Staff
Dennis Jones	PSC Staff
Todd Osterloh	PSC Staff
Sam Reid	PSC Staff
George Wakim	PSC Staff
Jerry Wuetcher	PSC Staff

Beginning the conference, Staff stated that it would prepare minutes of the conference for the case record, that a copy of the minutes would be provided to all parties, and that all parties would be given an opportunity to submit written comments on those minutes. Staff also noted that its statements and opinions are not binding on the Commission.

As requested by Mr. Hungler in his letter that was filed on December 22, 2010, the participants discussed the period during which a surcharge would be collected and three requested adjustments to the Commission Staff's recommended revenue requirement calculations. After discussing these items, Commission Staff and Ridgelea reached a revenue requirement that both thought was fair, just, and reasonable. The Commission Staff's agreement was contingent on records that could document Mr. Hungler's operation and maintenance of his plants. Mr. Hungler has provided documents that he claims provide that support. Those documents are attached to this memorandum. Mr. Spenard stated that the Attorney General would likely not object to the settlement terms. Commission Staff agreed to draft a settlement agreement and distribute it to the parties.

The conference then adjourned.