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Charles R. Borders  
Commissioner

February 18, 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

Attachment

## INTRA-AGENCY MEMORANDUM

### KENTUCKY PUBLIC SERVICE COMMISSION

**TO:** Case File

**FROM:** Mark Frost, Team Leader

**DATE:** February 18, 2011

**RE:** Case No. 2009-00500  
Application of Ridgelea Investments, Inc., for Alternative rate adjustment  
Conference of April 22, 2010

On April 22, 2010, Commission Staff held an informal conference at the request of Ridgelea investments, Inc. ("Ridgelea") to discuss the issues raised in the application and Ridgelea's responses to Commission Staff's information request. 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
J.R. Goff	PSC Staff
Mark Frost	PSC Staff
Sam Reid	PSC Staff
George Wakim	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.

Per Mr. Hungler's request the parties discussed the requirements of the Agreed Order with the Division of Water ("DOW"). In particular DOW's requirements that Ridgelea: (1) perform an Infiltration and Inflow Study ("I&I Study"); (2) have the effluent testing at the Franklin County treatment facilities be performed by a DOW licensed laboratory; and (3) contract with a licensed operator that lives within a 15 mile radius of the Franklin County treatment facilities. The parties also discussed the Kentucky Supreme Court case regarding the use of surcharges and Staff informed Ridgelea that until a decision is rendered by the Kentucky Supreme Court the Commission would not be authorizing the use of surcharges.

Staff requested Ridgelea to provide updated bids to support the cost of the I&I Study and to also support the cost of the effluent testing by providing copies of the

current invoices. At this point Ridgelea produced the copies of the invoices that were requested in the Commission Staffs Initial Information Request, Item 16.

The conference then adjourned.

cc: Parties of Record