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May 4, 2011

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1024 Capital Center Drive
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Frankfort, KY 40601-8204

Re: Case No. 2010-00191
Woodland Acres, LLC

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/Attorney, at (502) 564-3940, Extension 259.

Sincerely,

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

Jeff Derouen
Executive Director

gw
Enclosure

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2010-00191

FROM: Gerald Wuetcher **GEW**
Executive Advisor/Attorney

DATE: May 4, 2011

RE: Case No. 2010-00191
Woodland Acres Utilities, LLC,

On March 16, 2011, Commission Staff held an informal conference to discuss the progress of Woodland Acres Utilities, LLC ("Woodland Acres") in obtaining an irrevocable letter of credit, as required by the Commission. The following individuals participated:

Rob Moore	Woodland Acres Utilities, LLC
Joseph Murphy	Woodland Acres Utilities, LLC
Todd Osterloh	Commission Staff
George Wakim	Commission Staff
Gerald Wuetcher	Commission Staff

Beginning the conference, Mr. Osterloh stated that he 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 upon those minutes.

Mr. Osterloh noted the Commission's condition of transfer, which was for Woodland Acres to obtain an irrevocable \$10,000 letter of credit. The Commission had granted two requests for extensions, the last of which expired on December 20, 2010, to meet this condition. Mr. Osterloh asked what steps had been attempted to obtain a letter of credit. Mr. Murphy stated that he sought a letter of credit or bond from Stockyards Bank earlier in 2011, but the bank was unwilling to provide a letter of credit without a security. Mr. Murphy stated that he planned to seek a letter of credit from his personal bank, People's Bank of Shepherdsville, but had not yet done so. He stated that he would speak with bank officials on March 17, 2011. Mr. Murphy stated that he had not approached any other financial institutions about securing a letter of credit. Mr. Moore mentioned, however, that Mr. Murphy asked his insurance company whether it would provide a bond to meet the Commission's condition. The insurance company was unwilling to provide such a bond.

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Mr. Murphy and Mr. Moore stated that they would provide a written status report on Mr. Murphy's attempts to obtain a letter of credit no later than March 23, 2011. The conference then adjourned.

cc: Parties of Record