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PUBLIC SERVICE  
COMMISSION

ORGANIZED 1900

Shepherdsville, KY 40165

G. WILLIAM HARDY  
CHAIRMAN

Letter of Credit #10035

May 6, 2011

Kentucky Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, KY 40602

Gentlemen:

We hereby open our Irrevocable Letter of Credit #10035 in your favor for the account of Woodland Acres Utilities, LLC, Joseph B. Murphy 379 Brooksvue Circle, Brooks, KY 40109 for the sum of not to exceed \$5,000. available by your draft drawn at sight on us.

Your draft must be marked Drawn Under The Peoples Bank of Bullitt County, P.O. Box 247, Shepherdsville, KY. Letter of Credit #10035 and be accompanied by a signed statement from Kentucky Public Service Commission that Woodland Acres Utilities, LLC, Joseph B. Murphy has failed to honor their contractual agreement with Kentucky Public Service Commission.

This credit is subject, so far as applicable to "The Uniform Customs and Practice for Documentary Credit, 1993 revision. The Chamber of Commerce Publication No. 500."

We hereby agree with you that your draft drawn under and in compliance with the terms of this credit will be duly honored if drawn and presented for payment at our main office, The People's Bank of Bullitt County, P. O. Box 247, Shepherdsville, KY 40165.

We will automatically renew and extend without amendment, for additional periods of one (1) year from the Initial Expiry Date, May 6, 2012 and each Expiry Date thereafter, unless we notify Beneficiary in writing by certified or registered mail at the address as set forth above, not later than sixty (60) days prior to each Expiry Date, that we elect not to renew this Letter of Credit for such additional one (1) year period.

Yours Truly,

G. William Hardy  
Chairman



Steven L. Beshear  
Governor

Leonard K. Peters  
Secretary  
Energy and Environment Cabinet

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

David L. Armstrong  
Chairman

James W. Gardner  
Vice Chairman

Charles R. Borders  
Commissioner

May 4, 2011

Robert C Moore, Esq.  
Hazelrigg & Cox, LLP  
P.O. Box 676  
Frankfort, Kentucky 40602

MAY 05 2011

Josh W Nacey, Esq.  
Office of General Counsel  
200 Fair Oaks, 1st Floor  
Frankfort, Kentucky 40601

David Edward Spenard, Esq.  
Office of the Attorney General Utility & Rate  
1024 Capital Center Drive  
Suite 200  
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,

Jeff Derouen  
Executive Director

gw  
Enclosure

## INTRA-AGENCY MEMORANDUM

## KENTUCKY PUBLIC SERVICE COMMISSION

**TO:** Case File No. 2010-00191

**FROM:** Gerald Wuetcher <sup>GPW</sup>  
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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May 4, 2011

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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