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March 11, 2013

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

Bruce E. Smith, Esq.
201 South Main Street
Nicholasville, Kentucky 40356

Re: Case No. 2011-00297
Jessamine-South Elkhorn Water District

Gentlemen:

The enclosed memoranda have 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) 782-2590.

Sincerely,

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

Jeff Derouen
Executive Director

gw
Enclosures

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2011-00297

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

DATE: March 8, 2013

RE: Telephone Conference Call

On January 15, 2013, a telephone conference call was held in this case. Participating in the conference call were:

Robert Moore	-	Forest Creek, LLC
Bruce Smith	-	Jessamine-South Elkhorn Water District
Sam Bryant	-	Commission Staff
Scott Lawless	-	Commission Staff
Sam Reid	-	Commission Staff
James Rice	-	Commission Staff
Gerald Wuetcher	-	Commission Staff

Mr. Moore and Mr. Smith identified and discussed several issues for which they sought Commission Staff guidance. These issues involved the calculation of refunds to developers for water main extensions. The questions posed included:

- May attorney fees incurred by a real estate subdivision developer for a water main extension be considered in calculating the cost of the main extension?
- May, in addition to the actual cost of the water main(s), the cost of appurtenances such as pumping stations and underground storage, be considered in determining the cost of the water main extension?
- Does the cost of the main extension include interior mains constructed within a subdivision?
- Does the cost of the main extension include only the portion of the main extension from the terminus of the existing main to the entrance of the subdivision to be served?

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Noting that the Commission had yet to formally address some of these questions and had taken conflicting positions on others, Commission Staff was unable to provide any definitive guidance. Mr. Wuetcher referred the parties to prior rulings of the Commission in Cases No. 97-468 and No. 2006-00118. He subsequently advised the parties by electronic mail (Enclosure) of specific location of the Commission's Order in Case No. 97-468.

The conference call then concluded.

cc: Parties of Record

From: [Wuetcher, Jerry \(PSC\)](#)
To: [Bruce Smith \(bsmith@smithlawoffice.net\)](#); [Robert Moore \(RMoore@hazelcox.com\)](#)
Subject: Case No. 2011-00297: Jessamine-South Elkhorn Water District
Date: Monday, January 28, 2013 5:38:38 AM

Gentlemen:

At the 1/15/2013 conference call, I mentioned a case involving Northern Kentucky Water District and its water main extension policy. NKWD had requested and was granted a deviation to establish a water main extension policy that did not allow for refunds to developers for water mains that were installed within a real estate subdivision. This case is Case No. 97-468. The decision in that case may be found at

http://psc.ky.gov/order_vault/orders_1998/199700468_09041998.pdf.

Please note that the decision is almost 15 years old. Some of the PSC's positions regarding water main extensions have evolved. I cannot state with any certainty that the PSC would decide the request in the same manner today. The decision, however, has never been reversed nor has a subsequent Commission stated that it would not follow the decision.

Respectfully,

Gerald E. Wuetcher
Executive Advisor/Attorney
Public Service Commission of Kentucky
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INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2011-00297

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

DATE: March 8, 2013

RE: Conference Call of March 8, 2013

On March 8, 2013, Commission Staff conducted a conference call in this matter to discuss the current status of negotiations between the parties. Participating were:

- Robert C. Moore - Forest Creek LLC
- Bruce Smith - Jessamine-South Elkhorn Water District
- Gerald Wuetcher - Commission Staff

Beginning the conference call, Mr. Wuetcher also stated that Commission Staff 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. Moore and Mr. Smith discussed the status of negotiations between the parties. They indicated that progress had been made, but the parties required additional time to complete negotiations. They indicated that continuing the case for an additional 60 days would be appropriate.

The conference then adjourned.