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June 13, 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 document has been filed in the record of the above-referenced case. Any objections to this action should be submitted to the Commission within five business days of receipt of this letter.

Sincerely,

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

Jeff Derouen
Executive Director

gw
Enclosure

VIA ELECTRONIC MAIL

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2011-00297

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

DATE: June 13, 2013

RE: Conference Call of June 7, 2013

On June 7, 2013, Commission Staff conducted a conference call in this matter to discuss the current status of negotiations between the parties. Participating in the conference call 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. Wuetcher then disclosed that Mr. James W. Kelley, a manager of Forest Creek LLC, had contacted him in May 2013 and inquired whether the Commission had required the use of a third-party engineer to supervise a water utility's engineering and construction decisions. Mr. Wuetcher stated that he advised Mr. Kelley that he should make any inquiries through counsel and that any information that he provided to Mr. Kelley would also be disclosed to both parties' counsel. Mr. Wuetcher further stated that, because Mr. Kelley was a member of the public and entitled to make such inquiry, he advised Mr. Kelley that he would review his memory and records, but would not conduct any further research. Mr. Kelley contacted Mr. Wuetcher the following week at which time Mr. Wuetcher advised that he could not recall or locate any case involving such issues. Mr. Wuetcher further disclosed that he subsequently advised Mr. Moore of Mr. Kelley's contacts and requested that Mr. Kelley be counseled to cease such contacts. Mr. Moore stated that he had taken such action.

Mr. Moore and Mr. Smith then discussed the status of negotiations between the parties. Mr. Moore indicated that an agreement in general had been reached, but some issues remained to be resolved. He and Mr. Smith agreed to discuss these issues on June 10. Mr. Moore and Mr. Smith agreed that an additional 30 days was needed to

complete negotiations, prepare a written agreement, and obtain formal approval of their clients. They agreed to notify the Commission in writing by June 21, 2013 as to whether a written agreement had been drafted and pending final party review. The conference attendees agreed that a conference call should be scheduled for July 12, 2013.

The conference then adjourned.