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July 12, 2013

Pete Whaley
1300 North Main Street
Williamstown, KY 41097

Re: Case No. 2013-00187

Dear Mr. Whaley:

Attached is a copy of a 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 memorandum concerning the July 11, 2013 teleconference, please do so within five days of receipt of this letter. If you have any questions, please contact Jonathan Beyer, Staff Attorney, at 502/782-2581.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Derguen".

Jeff Derguen
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File – Case No. 2013-00187

FROM: Jonathan Beyer, Staff Attorney

DATE: July 12, 2013

RE: Teleconference of July 11, 2013

On July 11, 2013, a teleconference was held to discuss a proposed settlement agreement in this matter. Participating in the conference call was:

| | |
|----------------|-------------------------------------|
| Pete Whaley | - Attorney / Corinth Water District |
| William Hill | - Corinth Water District |
| Jonathan Beyer | - Commission Staff |

Beginning the conference call, Mr. Beyer inquired into the parties involved in the original land contract and lease agreement. Mr. Hill confirmed that in negotiating the contracts he represented the city in his capacity as the mayor of the City of Corinth. Corinth District Water District ("Corinth District") Commissioners Dan Field, Donnie Dyer and Robert McDaniel accepted the agreements on behalf of Corinth District.

Mr. Hill indicated that the terms of a previously distributed proposed settlement agreement are acceptable to the Corinth District Commissioners. Mr. Whaley further agreed that the terms are acceptable. Mr. Whaley stated that the purchase and lease agreements were entered into to avert the possibility of the city of Corinth entering receivership. As a result of the agreements, he noted, the transaction has worked to the benefit of both the water district and the city.

Mr. Beyer briefly explained Commission Staff's position regarding KRS 278.300 and the necessity of a regulated utility requesting Commission approval prior to issuing a security or evidence of indebtedness. Mr. Beyer stated that he would send the proposed settlement agreement to Mr. Whaley for his and the Corinth District Commissioners signatures. Mr. Hill will present the settlement agreement to the Corinth District Commissioners by the next board meeting on August 7, 2013. Upon return of the signed settlement agreement, Mr. Beyer stated that he would present the agreement to the Commission.

Finding that no party had any further questions, the conference call was adjourned.