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October 15, 2015

PARTIES OF RECORD

Re: Case No. 2015-00101

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 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,



Jeff Derouen
Executive Director

Enclosures

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File – Case No. 2015-00101

FROM: Jonathan Beyer, Staff Attorney

DATE: October 15, 2015

RE: Informal Conference of October 13, 2015

Pursuant to an October 2, 2015 Commission Staff Notice, an informal conference was held in this matter on October 13, 2015. A list of attendees is attached.

Beginning the conference, the parties discussed RWRA's plans and intentions regarding potentially taking over Friendly Park Development, Inc. ("Friendly Park") and Cedar Hills Disposal Sanitation Corporation ("Cedar Hills"). RWRA personnel indicated that Cedar Hills has been in RWRA's long-term 9-10 year plan. However, Friendly Park is not within the long-term plan. Accordingly, the parties agreed that a formal hearing should be scheduled in Case No. 2015-00101.

The parties discussed the two utilities' waste discharge permits, and owner Scott Lewis stated that he has reapplied for the Cedar Hills permit, however, the Friendly Park permit has now lapsed and due to the cost there is currently no intention to reapply for a permit. Daviess County Fiscal Court representatives noted that maintaining a discharge permit for Friendly Park would be beneficial to future attempts to locate a willing individual to operate the system.

Mr. Schepers for RWRA expanded upon certain conditions that the RWRA board has established prior to committing to taking over the Cedar Hills system: 1) procuring adequate funding; 2) at no time will RWRA operate the package treatment plant; 3) RWRA will not own the treatment plant or property upon which the plant rests. Mr. Schepers stated RWRA's intention would be to connect the Cedar Hills system to the RWRA system and that the connection could be completed within approximately three years. RWRA stated that it could not take over operation of the Cedar Hills treatment plant in the interim period due to existing issues with its EPA consent decree.

The parties discussed the options for maintaining the operation and viability of Cedar Hills during the intervening three year period. The parties agreed that RWRA or Daviess County representatives would contact counsel for Cedar Hills and Friendly Park the following week to discuss a potential agreement for maintaining service. RWRA staff also stated that it will provide contact information to Mr. Lewis regarding parties that may be willing to operate Cedar Hills. However, RWRA staff noted that they had not found any individuals willing to act as a receiver.

Commission Staff advised the parties that the Commission would welcome any agreement that would maintain service, however, Staff cautioned that any agreement cannot bypass the Commission's jurisdiction over Cedar Hills and that Commission approval would be required prior to transferring or abandoning the utility at the end of any potential agreement's term. Staff requested the parties keep the Commission informed regarding any agreement that is reached.

Finally, Mr. Lewis noted that the last Cedar Hills rate increase was granted approximately fifteen years prior. The parties discussed the need for a new request to alter rates and Staff briefly described the alternative rate filing process. Staff agreed to send via electronic mail documentation to the parties' counsel regarding how to submit a rate application.

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

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF FRIENDLY PARK)
DEVELOPMENT, INC.'S NOTICE OF INTENT TO) CASE NO.
ABANDON SERVICE) 2015-00101
)

October 13, 2015

Please sign in:

NAME	REPRESENTING
<u>Jonathan Boyer</u>	<u>PSC</u>
<u>Al Mattieghy</u>	<u>DAVLESS Co Fiscal Court</u>
<u>David Smith</u>	<u>Davless Co. Fiscal Court</u>
<u>Claud Porter</u>	<u>Dav. Co Atty</u>
<u>Stephanie Bell</u>	<u>PSC</u>
<u>JAMES D. RICE</u>	<u> </u>
<u>Mark Rasche</u>	<u>PSC</u>
<u>Joe Schepers</u>	<u>RWRA</u>
<u>Wesley Kammer</u>	<u>RWRA</u>
<u>VICTOR J CERNIAS</u>	<u>RWRA</u>
<u>Lacey Cunningham</u>	<u>RWRA</u>
<u>Scott Lewis</u>	<u>Friendly Park</u>
<u>A.V. Conway</u>	<u>Friendly Park, counsel</u>
<u>Rep. Tommy Thompson</u>	

} via telephone

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