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James W. Gardner
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Daniel E. Logsdon Jr.
Vice Chairman

November 24, 2015

PARTIES OF RECORD

Re: Case No. 2015-00143

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. Any questions regarding this memorandum should be directed to David Spenard, Commission Staff Attorney, at (502) 782-2580.

Sincerely,


Jeff Derouen
Executive Director

DES/ph

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2015-00143

FROM: David Spenard, Staff Attorney

DATE: November 24, 2015

RE: Informal Conference of November 19, 2015

Pursuant to the Commission's Order entered on August 10, 2015, an informal conference was held in this matter on November 19, 2015. Northern Kentucky Water District ("Northern District"), represented by counsel, participated in the conference. There are no intervenors in this case. A copy of the sign-in sheet is attached.

During the conference, Mr. Spenard stated that Commission Staff ("Staff") would prepare minutes of the conference for the case record, that a copy of the minutes would be entered into the record, and that Northern District would have an opportunity to submit written comments upon the minutes. Mr. Spenard stated that the views of Staff are not binding on the Commission. Mr. Spenard stated that the purpose of the meeting was to consider the possibility of settlement, the simplification of issues, and any other matters that may aid in the handling or disposition of the case.

Staff provided a brief summary of the case and noted that a hearing in this matter was scheduled to be held on December 3, 2015. Staff asked Northern District if it had prepared newspaper notice of the hearing. Northern District stated that it had prepared the notice and that notice would be published. Staff stated that a Commission Order entered on November 16, 2015, requires that the notice include a statement concerning the fact that the hearing will be streamed live. Northern District stated that it was aware of the requirement and that the language would be included in the notice. Staff noted that there were no motions outstanding.

Staff and Northern District discussed the pending application. Northern District stated that it had filed the case based on its test year expenses and that, in order to minimize its request for an increase in rates, it had not included several expenses that it could have included. Staff discussed its concerns regarding salaries and wages. Staff identified Northern District's response to Item 1 of the Commission's third request for information ("PSC 3 - 1") as a response that needed correction. Northern District agreed to file into the record a revised schedule 2 for its response to PSC 3 - 1. Northern District agreed to add additional information requested by Staff.

Staff and Northern District discussed whether there were options available through which Northern District could settle the case or otherwise submit the case for a decision based upon the record and without a hearing.. Northern District stated that it had entered into a settlement with the Kentucky Office of the Attorney General in the rate application prior to this case; further, Northern District stated that the settlement had been accepted by the Commission without a hearing. Staff noted that there are no intervenors and that Staff would not enter into a settlement with Northern District. Staff noted that acceptance of a settlement without a hearing is unusual.

Staff stated that the Commission would hold a hearing in this case on December 3, 2015. Staff stated that if Northern District wanted to change its position or provide notice of a modification to its request for relief that Northern District was free to do so.

Staff and Northern District discussed the issue of whether one of Northern District's witnesses, Constance Heppenstall, would be required to attend the hearing. Staff stated that Staff could not excuse Ms. Heppenstall from attending the hearing; however, Staff noted that it did not anticipate having any questions for Ms. Heppenstall and that Northern District could make a formal request to excuse Ms. Heppenstall.

There being no further business, the informal conference adjourned.

Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTHERN KENTUCKY)
WATER DISTRICT FOR AN ADJUSTMENT) CASE NO. 2015-00143
OF RATES)

SIGN IN

November 19, 2015

PERSON

REPRESENTING

<u>David Edward Spensard</u>	<u>PSC Staff</u>
<u>Mark Frost</u>	<u>PSC Staff</u>
<u>Scott Lantieri</u>	<u>PSC</u>
<u>Ariel Turnbull</u>	<u>PSC FA</u>
<u>Eddie Beavers</u>	<u>PSC FA</u>
<u>Jennifer Fell</u>	<u>PSC Legal</u>
<u>Molly Katen</u>	<u>PSC Legal</u>
<u>Jonathan Beyer</u>	<u>PSC</u>
<u>John Park</u>	<u>PSC Legal</u>
<u>Mark Rasche</u>	<u>PSC Engineering</u>
<u>Paul BRAGO</u>	<u>NKWD</u>
<u>Jack Hoyer</u>	<u>NKWD</u>
<u>Ron Lovan</u>	<u>NKWD</u>

PERSON

Lindsey Reckin

REPRESENTING

NEWB

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