



Ernie Fletcher
Governor

Mark David Goss
Chairman

LaJuana S. Wilcher, Secretary
Environmental and Public
Protection Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460

Gregory Coker
Commissioner

Christopher L. Lilly
Commissioner
Department of Public Protection

August 5, 2005

Mr. Len F. Hale
Hopkinsville Water Environment Authority
P. O. Box 628
Hopkinsville, Kentucky 42241-0628

John N. Hughes, Esq.
124 West Todd Street
Frankfort, Kentucky 40601

Andrew Self, Esq.
Deatherage, Myers, Self & Lackey
701 South Main Street
P.O. Box 1065
Hopkinsville, Kentucky 42241-1065

Mr. James Owen
Christian County Water District
P. O. Box 7
Hopkinsville, Kentucky 42241-0007

Re: Case No. 2005-00174
Hopkinsville Water Environment Authority

Gentlemen:

The enclosed memorandum has 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, Assistant General Counsel, at (502) 564-3940, Extension 259.

Sincerely,


Robert A. Amato
Deputy Executive Director

gw
Enclosure
cc: Parties of Record



EQUAL OPPORTUNITY M/F/D

Len F. Hale
General Manager
Hopkinsville Water Environment
Authority
101 N. Main Street
P. O. Box 628
Hopkinsville, KY 42241-0628

Honorable John N. Hughes
Attorney at Law
124 West Todd Street
Frankfort, KY 40601

James Owen
General Manager
Christian County Water District
1960 Dawson Springs Road
P. O. Box 7
Hopkinsville, KY 42241-0007

Honorable Andrew C. Self
Attorney at Law
Deatherage, Myers, Self & Lackey
701 South Main Street
P. O. Box 1065
Hopkinsville, KY 42241-1065

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2005-00174

FROM: Gerald Wuetcher 
Assistant General Counsel

DATE: August 5, 2005

RE: Telephone Conference Call of August 3, 2005

On August 3, 2005, Commission Staff conducted a telephone conference call in this case. Participating in this conference call were:

Len Hale	-	Hopkinsville Water Environment Authority (HWEA)
Andrew Self	-	Hopkinsville Water Environment Authority
John N. Hughes	-	Christian County Water District (CCWD)
Dennis Jones	-	Commission Staff
Sam Reid	-	Commission Staff
Jess Thompson	-	Commission Staff
Gerald Wuetcher	-	Commission Staff

Commission Staff arranged the conference call on August 2, 2005 and gave formal notice of the call the following morning.

Beginning the conference, Mr. Wuetcher stated that Commission Staff would prepare minutes of the conference for the case record, that a copy of these 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 stated that Commission Staff requested the conference call to address concerns regarding HWEA's response to the Commission's Order of June 15, 2005. Mr. Self and Mr. Hale acknowledged some problems with HWEA's response. They noted that HWEA has not previously been involved in a rate proceeding before the Commission. They also noted that HWEA had delayed the preparation of its responses while engaging in negotiations with CCWD. The unexpected failure of these negotiations allowed only a short period of time for the preparation of responses.

The participants then discussed HWEA's response and identified the following materials that HWEA should provide:

- Direct testimony of each HWEA witness in written verified form.

- Independent auditor's reports for HWEA's water operations for the fiscal years ending June 30, 2002 and June 30, 2003.
- The general ledger for HWEA's water operations (2 copies only).
- A calculation of HWEA's annual debt service payment, including all required payments to debt service reserve accounts or funds, for each of the next 3 years.
- A list of all persons on HWEA's payroll during the proposed test period (persons can be identified by number or other identifier), a description of job duties, current salary or wage rate, and the percentage of work hours spent performing duties for each city division.
- CCWD's monthly purchases from HWEA for the 24-month period ending June 30, 2005 (Commission Request 12b).
- HWEA's water sales (in gallons) for each month of the 36-month period ending June 30, 2005 for each of its wholesale customers and for its retail customers (collectively) (Commission Request 18b).

Mr. Wuetcher stated that HWEA should file the original and 4 copies of this material with the Commission. He also stated that a copy of all materials should be served upon CCWD's counsel.

The participants then discussed modifications to the procedural schedule to permit HWEA to provide the additional materials and Commission Staff and CCWD to review those materials. They agreed upon the attached schedule.

Mr. Self advised the participants that HWEA intends to move for authority to place its proposed rates into effect, subject to refund, prior to the end of the suspension period. He briefly discussed the reasons for this motion. Mr. Wuetcher stated that a hearing on the motion would be required if the parties could not agree on the requested relief. Mr. Hughes stated that CCWD had not yet developed a position on the motion.

The conference then adjourned.

cc: Parties of Record

AGREED REVISED PROCEDURAL SCHEDULE
CASE NO. 2005-00174

HEWA shall file its supplemental response to the Commission's request for information no later than..... 08/12/2005

HEWA shall file with the Commission the direct testimony of its witnesses in written verified form no later than 08/19/2005

Intervenors and Commission Staff shall serve their first set of interrogatories and requests for production of documents upon HEWA no later than..... 08/26/2005

HEWA shall file with the Commission and serve upon all parties of record and Commission Staff its responses to the first set of interrogatories and requests for production of documents no later than 09/09/2005

Intervenors and Commission Staff shall serve their second set of interrogatories and requests for production of documents upon HEWA no later than..... 09/23/2005

HEWA shall file with the Commission and serve upon all parties of record and Commission Staff its responses to the second set of interrogatories and requests for production of documents no later than 10/07/2005

Intervenor testimony, if any, shall be filed with the Commission and served upon all parties of record in verified prepared form no later than..... 10/21/2005

Parties and Commission Staff shall serve interrogatories and requests for production of documents upon Intervenors no later than 11/10/2005

Intervenors shall file with the Commission and serve upon all other parties of record and Commission Staff their responses to interrogatories and requests for production of documents no later than..... 11/23/2005

Public Hearing to be held at the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, for the purpose of cross-examination of witnesses (to be scheduled)