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February 24, 2006

TO: PARTIES OF RECORD
RE: Case No. 2005-00325
Water Service Corporation of Kentucky

Enclosed please find a memorandum that 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. Questions regarding this memorandum should be directed to Linda Mattox at 502/564-3940, Extension 407.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

vh/
Enclosure

Honorable John N. Hughes
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124 West Todd Street
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Honorable David Edward Spenard
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INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2005-00325
FROM: Linda Mattox, Staff Attorney
DATE: February 23, 2006
RE: Telephone Conference of February 17, 2006
Application of Water Service Corporation of Kentucky
For an Adjustment of Rates

By Commission Staff notice dated February 16, 2006, a telephone conference was scheduled on February 17, 2006. Participating were:

Steve Lubertozi	-	Water Service Corporation of Kentucky ("Water Service")
Kirsten Weeks	-	Water Service
John Hughes	-	Counsel for Water Service
David Spenard	-	Intervenor, Office of the Attorney General
Eddie Beavers	-	Commission Staff
Mark Frost	-	Commission Staff
Jason Green	-	Commission Staff
Linda Mattox	-	Commission Staff
Dawn McGee	-	Commission Staff

Beginning the conference, Ms. Mattox stated that Commission Staff would prepare minutes of the telephone 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.

Commission Staff scheduled this telephone conference to discuss responses made by Water Service to Commission Staff's Second Information Request dated January 17, 2006. The following items from that information request were discussed: Numbers 13, 17, 18(f), 21, 25, 26, 27, 33, 34, 35, 38 and 39. Water Service representatives agreed to supplement the responses to these items in accordance with the discussions.

The procedural schedule was then discussed. Mr. Spenard, on behalf of the Attorney General, indicated that he didn't anticipate filing intervenor testimony in this case and further noted that he assumed there would be a hearing and would participate and file a brief at that proceeding. It was noted that the absence of intervenor testimony allows more time for supplemental responses and additional information requests. The representatives of Water Service indicated that it should take no more than approximately one week to supplement their answers to these items. Staff informed the parties that supplemental requests for information, originally due February 21, 2006, would be served *after* receipt of the supplements to the above-listed responses to Commission Staff's Second Information Request and that the current procedural schedule would be modified. The conference then adjourned.

cc: Parties of Record