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John W. Clay
Vice Chairman

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Commissioner

May 21, 2008

PARTIES OF RECORD:

Case No. 2008-00017

Breathitt County Water District and Kentucky Mountain Bible College

Attached is a copy of the teleconference memorandum which is being filed in the record of the above-referenced case. If you wish to make any comments regarding the contents of the memorandum, please do so within five days of receipt of this letter. Should you have any questions regarding the memorandum, please contact Virginia Gregg at 502/564-3940, Extension 407.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephanie Stumbo".

Stephanie Stumbo
Executive Director

VG:v

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2008-00017
FROM: Virginia Gregg, Staff Attorney
DATE: May 21, 2008.
SUBJECT: Special Contract Between Breathitt County Water District and
Kentucky Mountain Bible College

Pursuant to the request of the Breathitt County Water District ("Breathitt District"), a teleconference was held on May 13, 2008. Participating were the following:

Paul Shannon Moore	Breathitt District
Virginia Gregg	PSC
James Rice	PSC
Scott Lawless	PSC
Eddie Beavers	PSC
Sam Reid	PSC

Breathitt District discussed its proposed contract with Kentucky Mountain Bible College ("Bible College") and the average water usage expected by Bible College under the contract. Breathitt District stated that Bible College consists of 40 structures and houses approximately 100 students. Its current water usage is approximately 228,000 gallons per month. The contract would be for general water service to Bible College and any of its fire protection needs. There was general discussion about the history of Bible College, including its initial financing, its current customer base, and its rate structure.

Commission Staff stated that Bible College could request Commission assistance in preparing a cost-of-service study and rate analysis.

Bible College agreed to file a revised contract, consistent with the information discussed. Bible College will also file copies of minutes of each meeting in which the proposed contract was discussed and all correspondence between Breathitt District and Bible College regarding the proposed contract for water service.

cc: Parties of Record