Steven L. Beshear Governor

David L. Armstrong Chairman

Leonard K. Peters Secretary Energy and Environment 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
psc.ky.gov

James W. Gardner Vice Chairman

Linda Breathitt Commissioner

July 9, 2014

PARTIES OF RECORD

Re: Case No. 2014-00091

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, Commission Counsel, at 502/782-2581.

five Director

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File – Case No. 2014-00091

FROM: Jonathan Beyer, Staff Attorney

DATE: July 9, 2014

RE: Informal Conference of July 2, 2014

Pursuant to Commission Staff's June 24, 2014 Notice, an informal conference was held in this matter on July 2, 2014. Attending the conference were:

Ron Osborne - R.A. Williams d/b/a Cedarbrook Treatment Plant

Gregory Dutton - Office of the Attorney General Chris Stevens - Office of the Attorney General

Jonathan Beyer - Kentucky Public Service Commission
Scott Lawless - Kentucky Public Service Commission
Ann Ramser - Kentucky Public Service Commission
Sam Reid - Kentucky Public Service Commission
George Wakim - Kentucky Public Service Commission

Beginning the conference, Staff inquired into the extent of any discussions R.A. Williams d/b/a Cedarbrook Treatment Plant ("Cedarbrook") has had with Harrison County officials regarding the possible formation of a sanitation district. Mr. Osborne indicated that significant discussions have not occurred, however, information regarding the current status of the utility has recently been provided to Harrison County officials and Roger Rectenwald with the Kentucky Association of Counties. Mr. Osborne further stated that he has previously had discussions with Harrison County, North Harrison Water Association ("North Harrison") and city officials regarding any potential interest in a transfer of the utility.

Regarding the current status of Cedarbrook, Mr. Osborne stated that Cedarbrook previously had an agreement with North Harrison for water service cut-offs for non-payment of sewer bills, however, North Harrison discontinued the agreement and has declined to reenter into a similar reciprocal agreement. Mr. Osborne also indicated that Cedarbrook has not physically disconnected any sewer service lines for non-payment. Since the filing of the abandonment request, Mr. Osborne stated that one customer has inquired into bringing his delinquent account current.

The parties discussed the efficacy of dismissing the current abandonment case versus holding the case in abeyance to provide an opportunity for Cedarbrook and Harrison County officials to explore forming a sanitation district. Mr. Dutton suggested that Cedarbrook be required to submit regular status updates in the event the case is held in abeyance. The parties agreed that Cedarbrook will submit a request to hold this matter in abeyance within 7 days of the conference and thereafter the Attorney General

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may submit a response indicating his agreement with the request. Finally, Staff informed Mr. Osborne that any decision as to how the case will proceed rests with the Commission.

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