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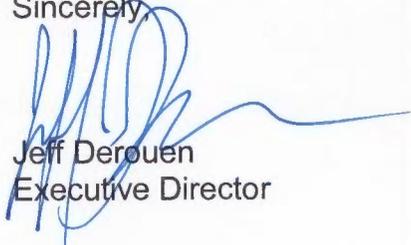
January 20, 2015

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.

Sincerely,



Jeff Derouen
Executive Director

Enclosures

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File – Case No. 2014-00091

FROM: Jonathan Beyer, Staff Attorney

DATE: January 20, 2015

RE: Informal Conference of January 14, 2015

Pursuant to Commission Staff's December 12, 2014 Notice, an informal conference was held in this matter on January 14, 2015. A list of attendees is attached.

Beginning the conference, Mr. Ron Osborne, with R.A. Williams d/b/a/ Cedarbrook Treatment Plant ("R.A. Williams") provided an overview of the current operations and status of the Cedarbrook Treatment Plant ("Cedarbrook"). Mr. Osborne expressed the urgency of the situation the utility faces and noted that the facility is the only asset owned by R.A. Williams, the facility's alleged owner. He stated that R.A. Williams' fiscal year will end on February 28, 2015, and indicated a desire either for a resolution of the issue prior to that date or in the alternative a defined path towards a near term final resolution. Mr. Osborne stated that Cedarbrook customers are currently in arrears in excess of \$36,000 and over the plant's lifetime he has invested considerable additional personal funds, without recompense, to continue operation. He stated that 23 customers are current on their bills, 26 are less than 60 days delinquent, 25 are more than 60 days delinquent and 2 customers are new. Many customers owe several thousand dollars or more. R.A. Williams has recently sent enforcement letters to three customers noting that service will be physically disconnected if the bills are not brought current, which has resulted in one customer bringing their bill current via a negotiated settlement. Finally, Mr. Osborne stated that he is unsure how R.A. Williams ended up as the de facto owner of Cedarbrook and he does not concede that R.A. Williams does in fact own Cedarbrook.

Harrison County Sanitation District Chariman Scott McCauley followed with a description of the issues that the district must resolve before it would be willing to accept a transfer of Cedarbrook. Namely, he discussed permitting, title and funding issues. As to the second issue, the parties discussed whether R.A. Williams has proper legal ownership of the utility property such that it can transfer good title. Mr. Osborne agreed to provide all parties a copy of the property deed within 10 days of the date of the conference.

Roger Recktenwald, with the Kentucky Association of Counties and appearing on behalf of the Harrison County Sanitation District, provided an overview of the status and effort of the district to obtain grant funding. He stated that an application would be submitted to the Kentucky Infrastructure Authority by April and two Community Development Block Grant applications would also be submitted in relation to the

Cedarbrook plant and a second facility that the district hopes to take over to create adequate economies of scale to maintain both systems.

Based upon the current timeline, Mr. McCauley stated that the district could begin replacing the Cedarbrook system this fall.

The parties next discussed possible options to continue maintaining and operating the system during the intervening period until the district receives funding and discussed the possibility of entering into a memorandum of understanding as to the ultimate transfer process.

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

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CEDARBROOK WASTEWATER TREATMENT
PLANT REQUEST TO CEASE OPERATIONS

) CASE NO.
) 2014-00091

January 14, 2015

Please sign in:

NAME

REPRESENTING

Jonathan Bayer

PSC

Roger Riedtman

Harrison County

LON OSBORNE

CEDARBROOK

Scott McCauley

Harrison County

Stefanie Kingsley

OAG

Gregory Dutton

OAG

Ann Ramsey

PSC

GEORGE WAKIM

PSC