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June 2, 2010

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117 West Main Street
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Ms. Carryn Lee
Lee Utility Consulting
900 Argyll Drive
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David Spenard, Esq.
Office of the Attorney General
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Mr. James Simpson
Henry County Water District No. 2
Post Office Box 219
Campbellsburg, Kentucky 40011

Mr. Jeffrey C Woods
Raisor, Zapp and Woods PSC
Post Office Box 354
Carrollton, Kentucky 41008

Re: Case No. 2009-00370
Henry County Water District No. 2

Ms. Lee and 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, Executive Advisor, at (502) 564-3940, Extension 259.

Sincerely,



Jeff Deroden
Executive Director

gw
Enclosure

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2009-00370

FROM: Gerald Wuetcher
Executive Advisor

DATE: June 2, 2010

RE: Telephone Conference Call of June 2, 2010

On June 2, 2010, Commission Staff, pursuant to the Commission's Order of April 1, 2010, conducted a telephone conference call to discuss the possibility of settlement, the simplification of issues, and any other matters that might aid in the disposition of this case. Participating were:

D. Berry Baxter	-	Henry County Water District No. 2
Carryn Lee	-	Henry County Water District No. 2
James Simpson	-	Henry County Water District No. 2
Jeffery Woods	-	Henry County Water District No. 2
Eddie Beavers	-	Commission Staff
Todd Osterloh	-	Commission Staff
James Rice	-	Commission Staff
Gerald Wuetcher	-	Commission Staff

Prior to the start of the conference call, Mr. Wuetcher contacted the Attorney General's Office and was informed that Mr. David Spenard was not available and would not be participating in the conference call. Mr. Wuetcher advised the Attorney General's Office that the conference would continue and that the Attorney General's Office would be advised of the conference results.

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.

After discussing Henry County Water District No. 2's application and response to Commission Staff information requests, the participants agreed to stipulate a total revenue requirement, the required increase from water sales revenue necessary to meet this revenue requirement, and a schedule of rates to produce the stipulated level of revenues from water sales. The participants further discussed and agreed upon prospective revisions to Henry County Water District No. 2's depreciation practices. Commission Staff agreed to prepare a draft stipulation and to submit to the parties for

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their review by June 9, 2010. Mr. Wuetcher and Mr. Baxter agreed that the proposed stipulation should be discussed by separate conference call with Mr. Spenard. Mr. Wuetcher agreed to arrange such a conference call.

The conference then adjourned.

cc: Parties of Record