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Dennis G. Howard, II Joshua D Farley

5 August 2015

## VIA ELECTRONIC FILING

Mr. Jeffrey DeRouen Executive Director Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40601

> **Re:** Sterling Ventures, LLC's Comments on the 30 July 2015 Intra-Agency Memorandum filed in the record in this case regarding the informal conference held on 29 July 2015, Case No. 2015-00194

Dear Mr. DeRouen:

Sterling Ventures, LLC submits these brief comments on the 30 July 2015 Intra-Agency Memorandum filed in the record on 31 July 2015 in this case regarding the informal conference held on 29 July 2015.

At the second paragraph, Mr. Howard stated that the purpose of the informal conference was to clarify or simplify matters pertaining **to the case as a whole**. Moreover, while discussion focused on Sterling's proposal to dispose and store coal combustion residuals (CCR), Mr. Howard did not state that it was intended to address '("CCR"), particularly gypsum.' The inference in the memorandum was that Mr. Howard intended to narrow the discussion of CCR in the context of gypsum. Mr. Howard made no comment on focusing "particularly" on gypsum.

In the third paragraph, at the conclusion of Mr. Kendrick's opening remarks, Mr. Howard stated that because it was an informal conference he refrained from objecting. However, Mr. Howard emphasized that the agreement between the Companies and Sterling prior to the informal conference was **not** to argue the merits of the respective parties' positions, but rather to serve as a meeting between engineers to further clarify technical data and calculations relevant to the parties' positions.

The Intra-Agency Memorandum does not contain a specific paragraph addressing the discussion at the informal conference related to an exchange where the Companies stated that new federal regulations would require the CCRs to be enclosed. Comment was made by the companies that they did not believe that a quarry qualified as an enclosure under new federal regulations. This exchange occurred between the Companies, KIUC and the OAG during a brief recess, while Sterling's corporate officials were not present in the room and given no opportunity to respond accordingly. However, participation by the Kentucky Division of Waste Management ("KDWM") would have helped bring closure to the issue. The Companies informed Sterling in advance of the meeting, contrary to Sterling's wishes, that the Companies did not want the KDWM or any other regulators present. Moreover, because this issue was in complete dispute between the Companies and Sterling, they had decided prior to the meeting that the matter was not to be discussed.

Thank you for the opportunity to submit these comments. Should you have any questions, please feel free to contact me at your convenience.

Sincerely,

Dennis G. Howard, II <u>dennis@howardfarley.com</u>