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January 21, 2009

PARTIES OF RECORD

Re: Case No. 2008-00250

Attached is a copy of the 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 informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact M. Todd Osterloh at 502/564-3940, Extension 439.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2008-00250
FROM: Todd Osterloh, Staff Attorney *MTD*
DATE: January 21, 2009
RE: Conference of January 13, 2009

On January 13, 2009, the Commission held a conference in this case in the Commission's offices in Frankfort, Kentucky. Present were:

Jack Hughes	-	Frankfort Electric and Water Plant Board
Hance Price	-	Frankfort Electric and Water Plant Board
Warner Caines	-	Frankfort Electric and Water Plant Board
Herbbie Bannister	-	Frankfort Electric and Water Plant Board
Shannon Taylor	-	Frankfort Electric and Water Plant Board
Don Prather	-	North Shelby Water Company
		U.S. 60 Water District
Tom Marshall	-	Elkhorn Water District
		Peaks Mill Water District
Sandy Broughman	-	Intervenors
Carryn Lee	-	Intervenors
Garland Moore	-	Elkhorn Water District
Jason Green	-	Commission Staff
Dennis Jones	-	Commission Staff
Sam Reid	-	Commission Staff
James Rice	-	Commission Staff
Todd Osterloh	-	Commission Staff

The purpose of the meeting was to determine whether the parties want a hearing in this case, to narrow further the issues for a hearing, and to agree on a procedural schedule.

Beginning the conference, Mr. Osterloh 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.

The parties initially noted that there have been no discussions between the Frankfort Electric and Water Plant Board ("Plant Board") and the four intervening water utilities outside of the formal filings with the Commission. The parties have not pursued any settlement discussions.

At the conference, the Plant Board reiterated its desire for a hearing. It did not believe that any additional meetings on the substantive issues of the case would serve to resolve outstanding issues in the case. The Plant Board also stated that it has thoroughly responded to the data requests and that additional meetings would unnecessarily prolong the processing of the case.

Intervenors stated that they had additional substantive questions that were not resolved by the Plant Board's data responses. They suggested holding another informal conference, at which they and Commission Staff could further question the Plant Board on substantive questions related to certain questions. Intervenors identified two primary, but non-exclusive, issues of concern: allocation of distribution lines and storage to the wholesale customers.

Discussions on the potential productivity of another conference reached an impasse. Commission Staff stated that it would further consider whether another conference would be productive after the conference.

The parties discussed potential hearing dates. Commission Staff suggested holding the hearing during the third week of February. The Plant Board stated its preference for February 18, and the Intervenors did not object to that date.

The conference then adjourned.

cc: Parties of Record

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