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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

John W. Clay
Commissioner

March 9, 2009

PARTIES OF RECORD

Re: Case No. 2008-00484

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 James R. Goff at 502/564-3940, Extension 261.

Sincerely,

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


Jeff Derbuen
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File

FROM: J. R. Goff
Staff Attorney 

DATE: March 9, 2009

RE: Case No. 2008-00484
Investigation of Ledbetter Water District and Water Commissioners
for Alleged Violations

On March 4, 2009, an informal conference was held by telephone with Commission Staff ; Ledbetter Water District ("Ledbetter District") and the water commissioners named in the Commission's Order of February 13, 2009. Those participating by telephone were: James R. Goff; Eddie Beavers; Sam Reid; Dennis Jones and Sam Bryant for Commission Staff; and, for Ledbetter District, Hon. J. David Boswell, attorney; Billy Downs, Manager; William Dae, Chairman; Terry Teitloff, Vice-Chairman; and Arnie Puckett, Bill Gillahan and Jim Shade, Commissioners.

Commission Staff explained the procedural process of the informal conference and the opportunity to reply to the memo submitted to the file.

All parties agreed that the facts surrounding this matter were adequately set out in a letter from Billy Downs, Manager, dated November 17, 2008, and the Response filed on behalf of Ledbetter District and the named Commissioners on February 26, 2009.

The attorney for Ledbetter District reiterated that there was no intention on part of Ledbetter District or the Water Commissioners to violate any Commission statute or regulation.

After further discussion, an agreement was reached among Commission Staff, Ledbetter District and the named Water Commissioners to settle all issues in this case as follows:

Ledbetter District did not willfully violate any statutory requirement, but, for the purpose of settlement, Ledbetter District agrees to be assessed a civil penalty of \$2,500 for a violation of KRS 278.015 upon the condition that the civil penalty be probated for a period of two years provided there be no violation of any Commission statute or regulation, at which time the probated civil penalty shall be forgiven.

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William Dae, Chairman; Terry Teitloff, Vice-Chairman; and Arnie Puckett, Bill Gillahan and Jim Shade, Commissioners, did not willfully violate any statutory requirement, but, for the purpose of settlement, each agrees to be assessed a civil penalty of \$2,500 for a violation of KRS 278.015 upon the condition that the civil penalty be probated for a period of two years and each Water Commissioner be required to attend for two years annual water district management training as provided by the Kentucky Public Service Commission. After completion of said training, the probated civil penalty shall be forgiven.

Commission Staff agrees to prepare a settlement agreement and, after it is signed by all concerned, submit the settlement to the Public Service Commission with a recommendation for approval. However, if the settlement is not approved, the matter will continue.