



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Charles R. Borders
Commissioner

March 22, 2010

PARTIES OF RECORD

Re: Case No. 2009-00272

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

TO/ew

Attachment

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File

FROM: Todd Osterloh, Staff Attorney

DATE: March 22, 2010

RE: Case No. 2009-00272
Informal Conference of March 17, 2009

On March 17, 2010, Commission Staff held an informal conference at the request of Madison County Utilities District ("MCUD") to discuss whether there was additional information that needed to be filed in order to process the case. The following individuals participated in the conference:

Jud Patterson	Counsel for MCUD
Todd Osterloh	PSC Staff
Virginia Gregg	PSC Staff
Bob Robards	PSC Staff
Mark Frost	PSC Staff
Sam Reid	PSC Staff

The parties discussed MCUD's application for a certificate of public convenience and necessity to install 2,940 radio-read meters. Commission Staff indicated that it would like additional information on four areas:

- Provide information on bids for the project that were submitted to MCUD and were not accepted. Explain why bids were not accepted.
- Explain the criteria that will be used to evaluate whether MCUD will continue to replace manual-read meters with radio-read meters after the initial 2,940 radio-read meters are installed. In addition to cost-effectiveness, explain how the reliability of the radio-read meters will affect this decision.
- Explain how MCUD would fund future projects involving replacement of manual-read meters with radio-read meters after the initial 2,940 radio-read meters are installed.
- Confirm that funds paid to MCUD employees for the purpose of reading meters are not contractually required to be paid to employees as a part of their "regular" salaries, regardless of whether they are reading meters.

Commission Staff did not set a deadline for MCUD to provide that information, but it was generally understood that MCUD would provide that information relatively

quickly. MCUD stated that it was very interested in starting the project as soon as it could get approval from the Commission, and it did not want to delay the proceedings any longer than necessary.

The parties also discussed MCUD's proposed credit card nonrecurring charge. MCUD stated that it has received a different offer for a merchant processing agreement to accept credit cards that simplifies the costs associated with accepting credit cards. As a result, MCUD will amend its application. Commission Staff stated that it would send MCUD a sample tariff page with language previously approved for other utilities by the Commission. Staff believed that this sample tariff language would accomplish MCUD's goals. MCUD stated that it would review the sample tariff language and file an amendment to the application if it found the language to be acceptable.

MCUD inquired into how long it would take for the Commission to rule on the case. Commission Staff stated that it could not provide a hard timeline but that it recognized that the application had been before the Commission since August 2009 and that the utility had requested expedited review in its initial application. Commission Staff stated that—as with all cases—it would not unnecessarily delay the proceedings.

The conference then adjourned.