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June 11, 2010

## PARTIES OF RECORD

Re: Case No. 2010-00188

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 Rick Bertelson at 502/564-3940, Extension 260.

Sincerely,

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

Jeff Derouen  
Executive Director

RB/ew

cc: Hon. Teresa Hill

Attachment

## INTRA-AGENCY MEMORANDUM

### KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File

FROM: Rick Bertelson, Team Leader

DATE: June 11, 2010

SUBJECT: Case No. 2010-00188  
Jackson Energy Cooperative v. London Country Club, Inc.  
Informal Conference

An informal conference ("IC") was held by telephone on June 7, 2010. In attendance were Rick Bertelson and Helen Helton of Commission Staff; Warren Keller and Clayton Oswald, counsel for Jackson Energy Cooperative ("Jackson Energy"); and Teresa Hill, counsel for London Country Club, Inc. ("LCC").

Mr. Bertelson explained that the purpose of the IC was to explore the issues raised by the letter sent by Ms. Hill on behalf of LCC to Commission Staff, which was received on June 1, 2010. In the letter, a copy of which was entered into the record of this matter, Ms. Hill expressed concern regarding the Commission's Order issued on May 18, 2010. The Order dismissed a complaint filed by Jackson Energy against LCC for nonpayment of an under-billed amount Jackson Energy contends was caused by a malfunctioning meter discovered during routine maintenance in October 2008.

Jackson Energy stated that it does not believe the May 18, 2010 Order is of any help to it in its efforts to recoup the under-billed amount because the Commission dismissed the complaint for lack of jurisdiction. However, LCC believes that dicta in the Order, commenting on certain factual issues which are disputed by LCC, are harmful to its position regarding the amount it believes it actually owes Jackson Energy.

Both parties asked whether they could continue to negotiate outside a formal case and, if so, whether any agreement they reached to settle the disputed billing matter would require Commission approval. Mr. Bertelson advised the parties that the utility is required to charge all of its customers the rates published in its filed tariff; so, LCC would need to provide some objective evidence to Jackson Energy that would allow the utility to reasonably determine that the billing amount in question should be lower than the amount it has previously represented to LCC.

However, if they are unable to resolve the billing matter through negotiations, and Jackson Energy thereafter issues a bill that LCC disputes, then LCC could file a

complaint with the Commission at that point, and the Commission would have jurisdiction to hear the matter.

Ms. Hill also expressed concern about the timing of filing a request for rehearing and a request for intervention in Case No. 2010-00188. Mr. Bertelson advised Ms. Hill that the statutory timeframe for filing a request for rehearing under KRS 278.400 cannot be waived by agreement of the parties. Ms. Hill stated that she was served with a copy of the May 18, 2010 Order on May 25, 2010. Therefore, Mr. Bertelson advised the parties that the deadline for filing a request for rehearing is Monday, June 14, 2010. Mr. Oswald stated that Jackson Energy would not be opposed to LCC's filing a motion for intervention and a motion for rehearing, along with a motion to hold the case in abeyance while the parties continue to negotiate a settlement, if necessary.

The parties agreed to continue settlement discussions outside the presence of Commission Staff, and they agreed to reconvene for a subsequent telephonic IC on Thursday, June 10, 2010, at 3:00 p.m., Eastern Daylight Time. The IC was then adjourned.

On June 10, 2010, Commission Staff received a call from Mr. Oswald. He stated that Ms. Hill and he had been in discussions regarding the billing issue, and that they had agreed that they did not need to discuss the case with Commission Staff any further at this point. He stated that Jackson Energy was going to discuss additional technical issues with LCC next week (June 14-18, 2010) and that they were going to continue to work toward resolving the billing issue without the Commission's assistance at this time.

In response to Commission Staff's question, Mr. Oswald stated that, in their recent discussion, Ms. Hill did not indicate that she was going to make any filings on behalf of LCC with the Commission at the present time.

cc: Jackson Energy Cooperative  
Hon. Teresa Hill