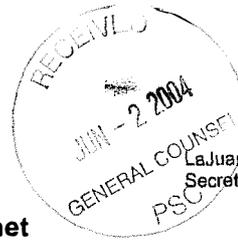


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Lajuana S. Wilcher
Secretary

Ernie Fletcher
Governor

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

May 26, 2004

Mr. Ralph E. Barnett
116 Ewing Drive
Allen, Kentucky 41601

Dear Mr. Barnett:

Commission Staff acknowledges receipt of your letter regarding a county's authority to impose certain requirements on a utility operating within that county.

No provision of KRS Chapter 278 or of Title 807 of the Kentucky Administrative Regulations prohibits a county from requiring a utility operating within the county's boundaries to maintain a bank account with a bank operating in that county, to tax the receipts collected in that county, or require the receipts be collected within that county. As the Commission's authority extends only to KRS Chapter 278 and Title 807 of the Kentucky Administrative Regulations, Commission Staff offers no opinion regarding the effects of other statutes or regulations.

This letter represents Commission Staff's interpretation of the law as applied to the facts presented. This opinion is advisory in nature and not binding on the PSC should the issues herein be formally presented for Commission resolution. Questions concerning this opinion should be directed to Gerald Wuetcher, Assistant General Counsel, at (502) 564-3940, Extension 259.

Sincerely,

Beth O'Donnell
Executive Director

Ralph E. Barnett

116 Ewing Drive

Allen, KY 41601

(606) 874-9731

Fax: Same

RALPHBARNETT9731@msn.com

RECEIVED

MAY 17 2004

PUBLIC SERVICE
COMMISSION

May 14, 2004

Kentucky Public Service Commission

P. O. Box 615

Frankfort, KY 40601

Attn: Beth O'Donald
Executive Director

Dear Ms. O'Donald,

Pursuant to instructions from staff members Jenny Smith and Dale Wright, I have been advised to direct a question to your attention. Your positive response will allow a group of interested citizens in the Coalfields Region of the state to pursue the establishment of a mailing/payment processing center in this region that will employ hundreds of displaced workers whose jobs were eliminated by mass pullouts by utilities such as American Electric Power, Bell South, AT&T, Equitable Gas Company, General Telephone, Columbia Gas System, etc.

The question: Is there anything in PSC Rules/Regulations or State Statutes that prohibits Counties and or Cities from passing an ordinance that mandates that any utility that generates revenue in the County or City must change the remittance address to a to be determined Post Office a to be determined cents per coupon processed, and maintain a general funds account with a local bank?

Thanks in advance for your prompt attention to this matter and we look forward to receiving a response from your agency.

Sincerely,

Ralph E. Barnett
Ralph E. Barnett

Concerned Citizen & Former Utility Supervisor