

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

FEB 27 2008

PUBLIC SERVICE
COMMISSION

THE NOTICE OF GAS COST)
RECOVERY FILING OF GASCO) CASE NO. 2007-00421
DISTRIBUTION SYSTEMS, INC.)

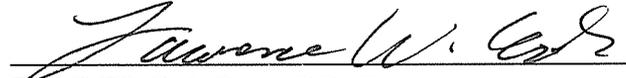
ATTORNEY GENERAL'S RESPONSE
TO PETITIONER'S MOTION TO DISMISS

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky ("Attorney General"), by and through his Office of Rate Intervention, and states as follows for his response to Petitioner Gasco Distribution System Inc.'s ["Gasco"] Motion to Dismiss.

The Attorney General does not object to the withdrawal of Gasco's original GCR filing. Furthermore, the Attorney General does not object to the filing of Gasco's revised GCR filing, nor to the plan to recover only two (2) years of unrecovered gas costs, to be billed over a period of three (3) years. However, the Attorney General requests Gasco to agree to make available, upon the request of any customers who might demonstrate severe economic hardship, a plan to accept a billing period of up to five (5) years. As was discussed in a recent informal conference in this matter, another Kentucky utility has made five (5) year repayment plans in previous instances of underbilling.

Respectfully submitted,

GREGORY D. STUMBO
ATTORNEY GENERAL



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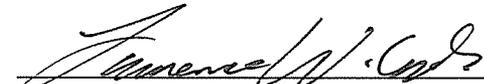
Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Beth O'Donnell, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

Kenneth D. Magyar
Vice President Marketing
Gasco Distribution Systems, Inc.
4435 East Pike
Zanesville, OH 43701

John N. Hughes
124 W. Todd St.
Frankfort, KY 40601

this 27th day of February, 2008



Assistant Attorney General