

November 1, 2010

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Post Office Box 615
Frankfort, KY 40602

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PUBLIC SERVICE
COMMISSION

Re: Ridgelea Investments Rate Case No. 2009-00500

Dear Mr. Derouen:

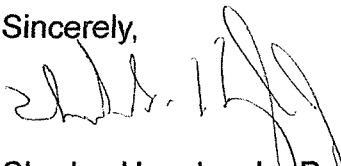
Ridgelea Investments has received the Commission's Order dated October 29, 2010 in the above-referenced rate case. This Order calls for the Commission Staff's Report to be delayed until November 27, 2010.

Ridgelea originally filed this case as a surcharge request almost one year ago, in order to pay for environmental mandates from the Kentucky Division of Water. One such mandate was a requirement to use expensive outside laboratories to test treated water samples, and Ridgelea has borne this increased cost for over a year. We are therefore very interested in resolving this matter as quickly as possible so that we can afford to fully comply with all regulatory mandates.

During this proceeding, Ridgelea at the direction of the PSC amended its filing to request a general rate increase in lieu of a surcharge. Ridgelea now believes - based on a Kentucky Supreme Court decision issued on October 21, 2010 - that the PSC has clear authority to approve surcharges. Given this new development, and in the interests of resolving this matter in 2010 before the Christmas holidays, we would like to encourage the PSC Staff Report to include a surcharge option as one potential way to expedite resolution of this case.

If you have any questions about this matter, please don't hesitate to contact me at (513) 284-6116.

Sincerely,



Charles Hungler, Jr., President
Ridgelea Investments, Inc.