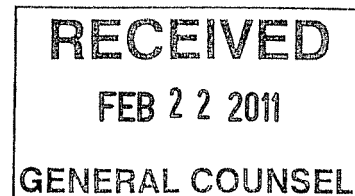


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February 21, 2011

Todd Osterloh
Public Service Commission
211 Sower Blvd.
Frankfort, Kentucky 40602-0615

Re: Alternative Rate Filing of Hillridge Facilities, Inc. - PSC Case No. 2010-00426
Comments to Memorandum of February 8, 2011 in formal conference

Dear Mr. Osterloh:

The following are the comments of Hillridge Facilities, Inc. to the memorandum concerning the February 8, 2011 informal conference held in the above referenced matter:

1) The last sentence in the third paragraph on Page 1 of the memorandum should be revised to state "After the conference ended, Commission Staff discovered that the incorrect case number of the cover letter for Hillridge's filing had resulted in Hillridge's response being placed in the incorrect case file.";

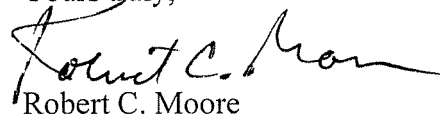
2) The following sentence should be added as the final sentence to the second complete paragraph on Page 2 of the memorandum "Mr. Moore indicated that MSD is required to compensate Hillridge for the value of its facilities in the event that it takes the flow from Hillridge pursuant to KRS 65.112.";

3) The following sentences should be inserted as the first sentence to the second complete paragraph on Page 3 of the memorandum "Mr. Zielke requested a copy of the estimates of the cost to make repairs to the Hillridge collection system, stating that he had not seen these estimates. Mr. Zielke was advised that the estimates were included with Hillridge's Application and that the estimates had been filed in the case file."; and,

4) The third sentence in the second complete paragraph on Page 3 of the memorandum should be revised to state "Hillridge's estimates, Mr. Johnson asserted, do not consider full compliance and its repairs are insufficient to render the system in compliance with the Consent Decree."

Please contact me should you have any questions concerning these comments.

Yours truly,


Robert C. Moore

RCM/mw
cc: Parties of Record