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PUBLIC SERVICE
COMMISSION

October 3, 2006

Public Service Commission
ATTN: Gerald Wuetcher, Esq.
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

Re: 2006-0072

Dear Jerry:

The purpose of this letter is to concur in your understanding of the position of the City of North Middletown, as set forth in your letter of September 21, 2006. As we previously discussed by telephone, your understanding of my explanation of how the City of North Middletown interprets its tariff *vis a vis* Judy Water Association is correct.

Please do not hesitate to contact me should you have any questions, and thank you for your kind and prompt attention.

Sincerely,



Henry Watson III

HW/lmh

cc: Mayor Buddy Mers
North Middletown City Commission
Betsy Frazier, City Clerk