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Commonwealth of Kentucky
Before the Public Service Commission

AUG 31 2007

PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF NORTHERN KENTUCKY)	
WATER DISTRICT FOR A CERTIFICATE OF)	Case No. 2006-00135
CONVENIENCE AND NECESSITY FOR THE)	
CONSTRUCTION OF SUB DISTRICT F WATER)	
MAIN EXTENSIONS, FINANCING AND)	
SURCHARGE)	

ATTORNEY GENERAL'S WRITTEN COMMENTS
REGARDING INTRA-AGENCY MEMORANDUM

The Attorney General submits written comments to the Intra-Agency Memorandum for the informal conference of 8 August 2007. Through these comments, the Attorney General takes exception to the lack of completeness of Commission Staff's recitation of the discussion. Immaterial omissions and differences are not noted.

8 August 2007 Informal Conference

The Office of the Attorney General was represented by David Edward Spenard. As per the corresponding memorandum, Mr. Spenard advised the participants that the Office of the Attorney General was still reviewing the Franklin Circuit Court's decision in *Comm. of Kentucky, ex rel. Stumbo v. PSC and Union Light, Heat and Power Co.* The memorandum does not reflect that Mr. Spenard advised the participants that his comments and theories did not necessarily reflect the position of the OAG. Further, while Mr. Spenard did note his agreement with Commission Staff that the decision implicates such matters as the fuel adjustment clause and the gas cost adjustment clause, he did not concede

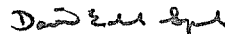
or otherwise affirm the Commission Staff's interpretation and application of the holding from the decision for all purposes (e.g. that the holding prevents the imposition of non-recurring charges).

Missing from the memorandum is the fact that Mr. Spenard pointed out that Chapter 278 provides specific statutory directions for extensions of service (although he misidentified the statute he had in mind, KRS 278.280, as KRS 278.300). Additionally, missing from the memorandum is his further observation that there is a significant difference between an accelerated mains replacement program and mains extension program.

WHEREFORE, the Attorney General submits his written comments.

Respectfully submitted,

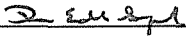
GREGORY D. STUMBO
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Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of this pleading were served and filed by hand delivery to Beth O'Donnell, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; furthermore, it was served by mailing a true and correct of the same, first class postage prepaid, to John N. Hughes, 124 West Todd Street, Frankfort, Kentucky 40601, all on this 31st day of August, 2007.



Assistant Attorney General