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PUBLIC SERVICE
COMMISSION

January 25, 2008

HAND DELIVERED

Michael F. Buford
Director, Division of Filings
Public Service Commission of Kentucky
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

Mark R. Overstreet
(502) 209-1219
(502) 223-4387 FAX
moverstreet@stites.com

RE: Case No. 2007-00101 (City of Hazard Franchise Agreement)

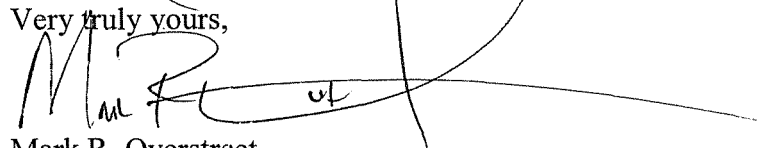
Dear Mr. Buford:

Thank you for your letter of January 29, 2008 regarding the status of the franchise agreement between Kentucky Power Company and the City of Hazard, Kentucky.

The Hazard City Commission approved a franchise agreement for Kentucky Power on December 3, 2007. The necessary paper work evidencing the grant of the franchise has not been prepared or signed by the appropriate city officials. Kentucky Power will promptly file two copies of the franchise agreement when it is executed by the parties.

Please do not hesitate to contact me if you have any questions.

Very truly yours,



Mark R. Overstreet