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ATTORNEYS

January 25, 2008

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PUBLIC SERVICE COMMISSION 421 West Main Street Post Office Box 634 Frankfort, KY 40602-0634 15021 223-3477 15021 223-4124 Fax www.stites.com

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

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

RE: Case No. 2007-00446 (City of Wheelwright Franchise Agreement)

Dear Mr. Buford:

Thank you for your letter of January 24, 2008 regarding the status of the franchise agreement between Kentucky Power Company and the City of Wheelwright, Kentucky.

Although there have been no major issues and the Company believes an agreement will be reached, Kentucky Power remains in negotiations with the City. Kentucky Power will promptly file two copies of the franchise agreement when it is approved by the city commission and executed by the parties.

Please do not hesitate to contact me if you have any questions.
Very Huly yours, Mark R. Overstreet