

DELAPLAIN DISPOSAL COMPANY, INC.

P. O. Box 4382
Lexington, Kentucky 40544-4382
859.223.0425 phone
859.223.0459 fax

October 31, 2008

Ms. Stephanie Stumbo
Executive Director
Public Service Commission
211 Sower Blvd.
PO Box 615
Frankfort, Kentucky 40602-0615

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COMMISSION

Dear Ms. Stumbo:

We are in receipt of your 9/30/08 Certificate of Service to Delaplain Disposal Company (DDC) of an Agreed Order concerning Case No. 2008-00369, whereby DDC entered into an agreement with the Attorney General and the Public Service Commission to adjust DDC's rates to produce a \$150,000 reduction in annual revenues effective October 1, 2008.

DDC was given the right during negotiations with the Attorney General's office to reduce commercial or residential rates or a combination thereof and DDC proposed the revised rates as set forth in Appendix A to the Agreed Order. Subsequent to this decision, DDC has entered into "preliminary negotiations" with the Georgetown Municipal Water and Sewer Services (GMWSS) to possibly sell DDC's assets, close down the DDC wastewater treatment plant and connect to GMWSS existing sewer system. GMWSS currently charges residential customers about \$25 per month. If DDC's residential rates were reduced to \$10.73, effective 10/1/08, and DDC subsequently combined services with GMWSS, subject to the PSC approval, the rates for DDC's 235 residential customers would probably be increased back to the \$25 per month level. DDC's prior residential rate of \$26.25 per month was already among the lowest residential rates in the state.

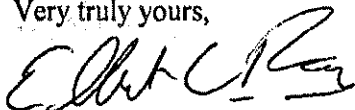
DDC proposes to achieve the \$150,000 revenue reduction by reducing the industrial rate from \$7.63 per thousand gallons to \$6.65 per thousand gallons. This arrangement accomplishes the following:

1. Reduces total revenue by \$150,000 in accordance with PSC and Attorney General's requirements.
2. Opens the door to regionalization of wastewater facilities.
3. Leaves the residential rates among the lowest in the state.
4. Satisfies all PSC and Attorney General demands.

We will be prepared to meet to discuss further but need to finalize this issue ASAP.

Thank you for your attention to this matter.

Very truly yours,



Elbert C. Ray, PE President,
Delaplain Disposal Company

Cc; Mark Frost

P. O. Box 4382
Lexington, KY 40544-4382
859.223.0425 Phone
859.223.0459 Fax

"Delaplain Disposal Company"

Fax

To: Stephanie Stumbo	From: Ebb Ray
Fax: 502.564.3460	Pages: 2
Phone: 502.564.3940	Date: November 3, 2008
Re: Case No. 2008-00369	cc: Mark Frost

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