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COMMONWEALTH OF KENTUCKY
OFFICE OF THE ATTORNEY GENERAL

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ATTORNEY GENERAL

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FRANKFORT, KENTUCKY 40601

November 10, 2008

Stephanie Stumbo
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

Re: 2008-00369 - Delaplain Disposal Company, Inc.

Dear Mrs. Stumbo:

We are in receipt of a letter from Delaplain Disposal Company, Inc. dated October 31, 2008, wherein the Company has requested that the Commission reconsider the rate reductions referenced in its September 30th, 2008 Order. In that Order, it was noted that the Attorney General's Office settled a case wherein Delaplain Disposal Company, Inc. agreed it was over-earning and further agreed to an immediate rate reduction for the amount of \$150,000 among its various customer classes with the specific amounts of each class reduction as indicated in a settlement agreement, which was filed of record with the Public Service Commission.

Our office believes the Company has misstated the position of the Attorney General and mischaracterized the negotiations with his Office and the resultant settlement agreement. Specifically, our office reviewed the rates of the various customer classes and negotiated specific reductions to each class as was indicated in the agreement. While some latitude involving the specific reduction to each class was discussed during the settlement negotiations, the position of our office was, and continues to be, that reductions were required for the residential customer class. Indeed, the final result of these negotiations was the aforementioned agreement which was agreed to by our Office and the Company and which specifically provided for reductions to the residential class customers as part of the exhibits filed with the settlement agreement and incorporated into the Commission's Order.

Additionally, in paragraph 16 of the settlement agreement, the Attorney General and the Company agreed that the parties shall "file neither an application for rehearing



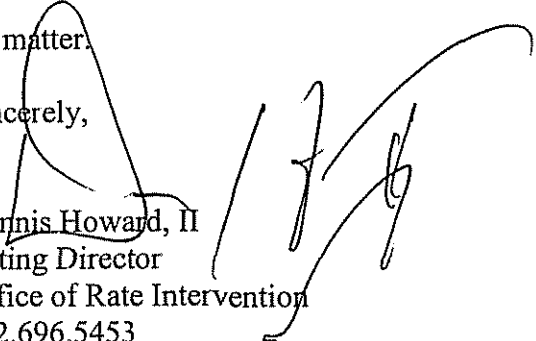
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with the Commission, nor an appeal to the Franklin County Circuit Court with respect to such order". Clearly, the request by the Company would violate the agreement adopted by the Commission. Our office believes it would be a bad precedent for the Commission to allow a Company the unilateral right to re-visit a settlement agreement for modification once it had been agreed to by the parties and subsequently adopted by the Commission.

In light of the above, we respectfully request that the Commission deny the Company's request for modification and/or rehearing.

I thank you in advance for your attention to this matter.

Sincerely,


Dennis Howard, II
Acting Director
Office of Rate Intervention
502.696.5453
Dennis.howard@ag.ky.gov

Cc: Honorable Bernard F. Lovely
Elbert C. Ray