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November 16, 2012

Jeff Derouen
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

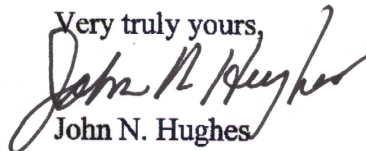
Re: Northern Kentucky Water District

Dear Mr. Derouen:

Northern Kentucky Water District and the Attorney General provide confirmation that the Stipulation and Recommendation dated October 19, 2012, filed as part of this case intended to include approval of the issuance of the bonds and recovery of associated debt serviced as proposed in the application. By this letter, the parties acknowledge their agreement of the issuance of the proposed bonds and all necessary approvals required to authorize those bonds and their financing.

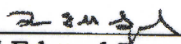
If you have any questions about this matter, please contact me.

Very truly yours,



John N. Hughes
Attorney for Northern Kentucky
Water District

AGREED:



David Edward Spenard
Assistant Attorney General