

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

MAY 04 2012

ALTERNATIVE RATE ADJUSTMENT FILING)
OF COOLBROOK UTILITIES, LLC)

PUBLIC SERVICE
COMMISSION
CASE NO. 2011-00433

ATTORNEY GENERAL'S RESPONSE TO
COOLBROOK UTILITIES, LLC'S MOTION FOR IDENTIFICATION OF ISSUES

Comes the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and in response to the motion by Coolbrook Utilities, LLC ("Coolbrook") for an identification of the issues to be addressed at the formal hearing concerning Coolbrook's application for rate adjustment states as follows:

(1) On March 5, 2012, the Public Service Commission Staff filed its Staff's Report and Findings concerning Coolbrook's proposed rate adjustment.

(2) On March 22, 2012, Coolbrook filed its objections to the Commission Staff's Report citing areas of disagreement, but stated that it did not wish to address the issues relating to the Owner/Manager Fee and Agency Collection Fee in this case. Coolbrook's Objections at p. 1, paragraph 2.

(3) On March 23, 2012, the Attorney General filed notice that he did not object to the Commission Staff's Report and Recommendations, but reserved his right to participate in hearings on this matter.

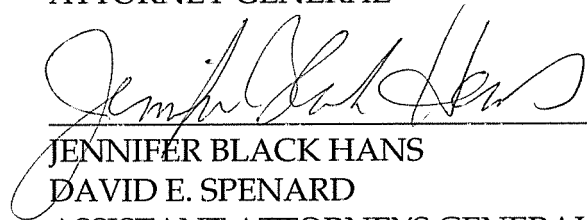
(4) In the interest of administrative economy and in order to save the ratepayers additional costs, the Attorney General agrees to Coolbrook's stipulation that the formal

hearing on this matter be limited to issues in dispute, specifically the issue of Coolbrook's proposed surcharge to finance an infiltration and inflow study.

(5) The Attorney General will have no witnesses to present at the hearing, but reserves the right to fully participate and cross-examine the witnesses, including those identified by Coolbrook, regarding the reasonableness of the proposed surcharge and the allocation of risk between the ratepayers and Coolbrook.

Respectfully submitted,

JACK CONWAY
ATTORNEY GENERAL

A handwritten signature in cursive script, appearing to read "Jennifer Black Hans", is written over a horizontal line.

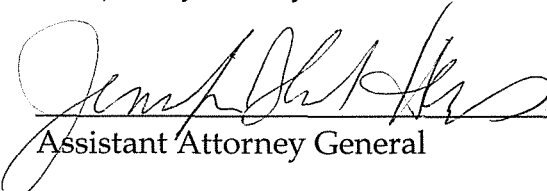
JENNIFER BLACK HANS
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Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

Honorable Robert C. Moore
Hazelrigg & Cox, LLP
415 West Main Street, 1st Floor
P.O. Box 676
Frankfort, Kentucky 40602-0676

this 4th day of May, 2012


Assistant Attorney General