



SOUTHERN WATER & SEWER DISTRICT

P.O. Box 610
245 KY Rt. 680
McDowell, KY 41647

Ph. (606) 377-9296 Fax. (606) 377-9286

May 31, 2007

Beth O'Donnell, Executive Director
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602-0615

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PUBLIC SERVICE
COMMISSION

RE: **Southern Water & Sewer District**
Case No. 2007-00099

Dear Ms. O'Donnell:

Pursuant to the Commission's Order of May 9, 2007 with respect to Southern Water & Sewer District's borrowing of funds to purchase property in McDowell, the following is submitted:

2. Notification is hereby provided to the Commission that the District actually purchased the James Frasure dba Eastern Territory Leasing property on May 25, 2007.
3. The date of the First Guaranty Bank Note for the purchase is also May 25, 2007. The interest rate on the Note is 5.5% and the principal amount is \$167,940.
4. Southern Water will record the purchase of the building and land on its books in accordance with the Uniform System of Accounts

Please let us know if you need any further information.

Sincerely,

Hubert Halbert, Chairman
Southern Water & Sewer District

Equal Opportunity Employer