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PUBLIC SERVICE
COMMISSION

MORGAN COUNTY WATER DISTRICT
408 Prestonsburg Street
West Liberty, KY 41472

Barbara Stacy
District Manager

Phone: 606/743-1204
Fax: 606/743-9585

February 9, 2005

Beth O'Donnell, Executive Director
KY Public Service Commission
P. O. Box 615
Frankfort, KY 40602

RE: Case No. 2004-00277 and 00417

Dear Ms. O'Donnell:

On July 2, 2004 the Morgan County Water District petitioned the Public Service Commission to increase our tap on fee. This petition was granted. Upon initial implementation of this increase we have had a backlash of opposition from the public. The opposition stems mainly from a water line extension project which is currently in progress. Therefore, while we still wish to implement the increase, we now request to delay the implementation. We currently have a funding application in to Rural Development and Appalachian Regional Commission which will be called our Phase 11 project. We desire to delay the increase until this project is funded which we anticipate occurring later this year.

We had filed another case on October 2, 2004 asking for a lower rate due to the opposition from the public and at the request of the County Judge Executive asking to decrease our proposed tap on fee.

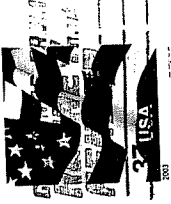
If additional information is required, please contact our office and we will await your response.

Sincerely,


Barbara Stacy
District Manager

Cc: Tim Conley, Judge Executive

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West Liberty, KY 41472



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