

CLEARWATER DISPOSAL, INC.

P.O. Box 1425
Middlesboro, Kentucky 40965

December 21, 2004

RECEIVED

DEC 23 2004

PUBLIC SERVICE
COMMISSION

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

RE: Clearwater Disposal, Inc. WWTP

2004-00527

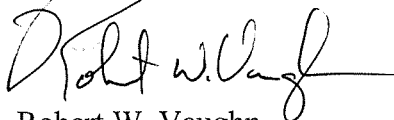
Dear Ms. O'Donnell:

In 2001, the Bell County Fiscal Court applied and received a grant for the extension of sewer lines from the City of Middlesboro's sewage collection system to the Clearwater Disposal collection system. The project was intended to allow the Clearwater Disposal WWTP to be shut down and wastewater service for the Ambleside community to be provided by the City of Middlesboro. Nearly four (4) years later, the project is finally nearing construction and should begin within the next month.

Please accept this letter as Clearwater Disposal's request to connect our existing collection system with the City of Middlesboro; close the Clearwater Disposal, Inc. WWTP; and turn ownership, operation, and maintenance of the collection system over to the City of Middlesboro. For your reference, we have attached a copy of the existing Clearwater Disposal, Inc. sewer rate schedule along with a copy of the City of Middlesboro's rate schedule. In our estimation, the average sewer rate for the residences in the Ambleside community will increase from \$18.66 to approximately \$20.00.

If you have any questions or need any additional information, please feel free to call (606)248-6600.

Very truly yours,



Robert W. Vaughn
Secretary

CITY OF MIDDLESBORO - SEWER RATE SCHEDULE

Residential (IN CITY)	\$3.23/thousand gallons (w/ \$20 cap)
Residential (OUTSIDE CITY)	\$3.23/thousand gallons (no cap)
Commercial	\$3.23/thousand gallons (no cap)

AMBLESIDE/CLEARWATER DISPOSAL, INC – SEWER RATE SCHEDULE

Flat Rate (All residences)	\$18.66
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