



March 22, 2007

RECEIVED

MAR 23 2007

PUBLIC SERVICE
COMMISSION

Mr. Michael F. Burford
Director of Filings Division
Public Service Commission
211 Sower Blvd., P.O. Box 615
Frankfort, KY 40602

RE: Breathitt County Water District – Case No. 2006-00437 Status Report

Dear Mr. Burford:

On behalf of the Breathitt County Water District, I would like to inform you that construction on the above referenced project was initiated in January 2007. There are two Contracts on this Project, one for the waterlines (\$1,590,525) and the second one for the tank construction (\$ 323,360) which totals \$1,913,885. Fifty percent of this amount is \$956,942.50. The Waterline Contractor has submitted his second Partial Pay Request (PPR) for work completed through March 2, 2007 in the amount of \$544,444 and indicated that he was 34.2 % complete with his Contract. It is anticipated that when the Waterline Contractor submits his next PPR in April he will be over 50 % complete on his contract. The Tank Contractor has begun work, but has not submitted a PPR as of this date. I anticipate him submitting a PPR in April. The total of both of these Contractor's PPR's could be nearing the 50 % complete of the total Project Construction Cost.

We are therefore, informing you, as required in the Public Service Commission Order item number 7, of the impending 50 % completion on this project.

I hope this information meets your needs and if I can provide any additional information please contact me at your convenience.

Thank you for all of your efforts and assistance on this project.

Sincerely,

Ora C. Main, PE, MBA
Project Manager

- c: Harvey J. Richardson, Judge Executive, Breathitt County
- John L. Smith, Chairman BCWD
- Brendon Miller, Attorney for BCWD
- Bryan Kirby, CEDA
- Shannon Moore, BCWD
- Ken Reid, NEI
- Carlos Maggard, NEI