

RECEIVED

SEP 11 2007

PUBLIC SERVICE COMMISSION

AFFIDAVIT

STATE OF KENTUCKY)
)
) SS.
COUNTY OF MAGOFFIN)


I, **Milow D. McCarthy**, after first being duly sworn, state that:

1. I am treasurer of the Magoffin County Water District Board of Commissioners.

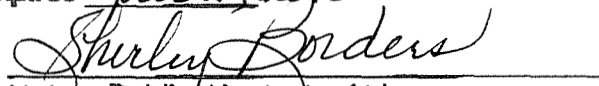
2. On July 19, 2007, Magoffin Water District Board of Commissioners held its regular monthly meeting. Among the matters that were discussed was the pending increase in the wholesale rate that the Salyersville Water Works charges to Magoffin County Water District and Magoffin County Water District's response.

3. After discussing Salyersville Water Works' wholesale rate adjustment, the Board of Commissioners voted to file an application with the Kentucky Public Service Commission for a purchased water adjustment to pass through the increased cost of water. The Board of Commissioners intended that the adjustment be effective on August 5, 2007 and that the application filed with the Kentucky Public Service Commission would seek retroactive approval of this rate adjustment. The effective date would coincide with the date on which Salyersville Water Works intended to increase its wholesale service rate.

Further, the Affiant sayeth not.


Milow D. McCarthy
MILLOW D. Mc CARTY

SUBSCRIBED AND SWORN TO before me by **Milow D. McCarthy**, this 11th day of September, 2007. My Commission expires April 25, 2010.


Notary Public, Kentucky At Large