



October 12, 2007

Mr. Michael F. Burford
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

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PUBLIC SERVICE
COMMISSION

Re: Case No. 2007-00413

Dear Mr. Burford:

In response to your correspondence dated October 9, 2007, regarding the above referenced case, we offer the following. The Adair County Water District plans to develop this project in two phases, the first of which the District has completed the construction bidding and the second phase will be ready for construction bids early next year. The purpose of developing the first phase was to expedite providing another means of water service to the northeast area of the District's service area which could be affected by the work that is being done on the Wolf Creek Dam at Lake Cumberland. Currently, this area of the District's service area obtains water that is processed at the City of Jamestown's water plant and is delivered to the District through the City of Russell Springs' water system. Sometime early this year the District became aware of the potential of a water shortage due to the work at Lake Cumberland and therefore focused on quickly developing this work in order to maximize the potential to maintain service in this region of the system. Now that this portion of work is ready for construction, the second phase is in the process of being developed.

Please note that the District has performed prior projects in phases that have been approved by your agency. Please refer to Case No.'s 2003-00364 and 2004-00202. Both of these cases were successfully done in phases.

We trust that this information is sufficient but should you need additional we would be available to meet with you on short notice. Likewise, Lenny Stone, Manager of the Water District along with Hank Reed who is serving as bond counsel have instructed me to inform you that they concur with the information contained herein and they also are available to meet with you on short notice.

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Sincerely,



David M. Bowles, P.E.

/dmb

Cc Lenny Stone, Manager
Adair County Water District

Hank Reed
Bond Counsel