

Purchase Public Service Corporation
P.O. Box 5100
Mayfield, Kentucky 42066
270/247-7171

RECEIVED
SEP - 4 2008
PUBLIC SERVICE
COMMISSION

September 2, 2008

Ms. Stephanie Stumbo, Executive Director
Kentucky Public Service Commission
P.O. Box 165
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

Re: Case No. 2008-00346 Holifield Heights CPCN

Dear Ms. Stumbo:

I am writing to request your assistance in expediting approval of an application before the Public Service Commission (PSC). Specifically, on August 20, 2008, the Purchase Area Development District acting through the Purchase Public Service Corporation ("Purchase PSC"), filed an application requesting a Certificate of Public Convenience and Necessity to replace a sewage treatment plant that was destroyed in a motor vehicle accident in the summer of 2007. Since that accident, the Holifield Heights sewer utility has been incurring charges of roughly \$4,000 a month to haul away the sludge generated by the system, which serves only 10 customers in a low-income and rural area of Graves County. Because the system only generates revenues of around \$300 a month, this shortfall of \$3,700 a month has caused a financial emergency that could soon lead to the bankruptcy of the Purchase PSC.

By way of background, the Purchase PSC over the years has assumed operation of several troubled sewage treatment plants in the Purchase Area. It does so on a nonprofit basis, and its ultimate goal is to consolidate these small plants with larger and more financially stable systems and get out of the business. The potential bankruptcy at Holifield Heights could cause service and financial problems at the other 5 sewer systems owned and operated by the Purchase PSC. It is therefore in the public interest to resolve this situation as quickly as possible.

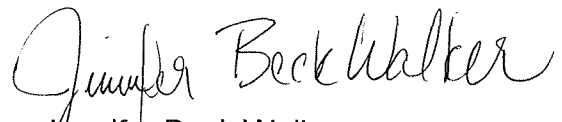
Page Two
September 2, 2008

The current CPCN application notes that the replacement project needs to move forward immediately or the Corporation will be bankrupt in early 2009. To be more specific, we are requesting that the PSC Staff expedite whatever review is necessary and that the PSC issue an order approving this project as soon as humanly possible but by no later than October 1, 2008. We have an engineering contractor ready and willing to start this project as soon as possible, but ideally they need to start this Fall before the onset of the wet season.

Sincerely,



Tony Smith
Graves County Judge/Executive



Jennifer Beck Walker
PADD Executive Director