

October 20, 2006

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

RE: Case No. 2006-00205 Status Report

Dear Mr. Burford:

RECEIVED OCT 2 3 2006 PUBLIC SERVICE COMMISSION

Construction began July 3, 2006 on the Bath County Water District project funded by Rural Development. We apologize for not notifying the Public Service Commission one week prior to this date.

The construction is approximately 33 percent complete. We will notify the Commission when the 50 percent completion point is reached.

Should you have any questions, please contact either Jeanette Walton, Manager, Bath County Water District at 606.683.6363 or me at 859.223.0137 ext. 16.

Sincerely,

Holly S. Mululas

Holly L. Nicholas Sr. Project Financing Specialist

C: Jeanette Walton, Manager, BCWD