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PUBLIC SERVICE COMMISSION

April 6, 2007

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:

Construction continues on the Bath County Water District project funded by Rural Development. There are four construction contracts. As of March 27, 2007, the date of the last construction progress meeting, the percent complete for each contract was:

Contract No. 7 - 85% Contract No. 8 - 94% Contract No. 9 - 81%

Contract No. 10 - 100%

There are funds remaining in the project budget and Rural Development is encouraging the District to do additional work utilizing all the funds allocated to the District. Contract No. 8 will be extended to complete this work. It is expected that the extra work will extend this contract another four months.

Should you have any questions, please contact Jeanette Walton, Manager, Bath County Water District at 606,683.6363 or me at 859.223.0137 ext. 16.

Sincerely

Holly L. Nicholas

Soly L. Dichatas

Sr. Project Financing Specialist

C: Jeanette Walton, Manager BCWD