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November 27, 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:

Construction began July 3, 2006 on the Bath County Water District project funded by Rural Development. As of pay estimates submitted for November 2006, the project is now sixty five percent complete (65%).

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 A. Michilus

Holly L. Nicholas Sr. Project Financing Specialist

C: Jeanette Walton, Manager, BCWD

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