Powell's Valley Water District 31 Adams' Ridge Road P.O. Box 550 Clay City, KY 40312 (606) 663-5870

January 2, 2007

Public Service Commission of Kentucky 211 Sower Blvd. P.O. Box 615 Frankfort, Kentucky 40601

Attn: Michael F. Burford

Re: Case No. 2006-00404

Dear Mr. Burford,

RECEIVED JAN 1 6 2007 PUBLIC SERVICE COMMISSION

We received your letter dated December 27, 2006 concerning Powell's Valley Water District notifying the Commission one week prior to the start of construction on the Phase II Nada Sewer Construction. The construction began in November 2006 and the gravity line is approximately 20% complete. We apologize for the error of not notifying you at the start.

If you have any questions, our office hours are Monday – Friday, 8:00 a.m. – 3:00 p.m.

ely, Aquadell Anop Sincerely,

Kendell Knox Superintendent