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March 2, 2007

Beth O'Donnell
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

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PUBLIC SERVICE
COMMISSION

Re: Prestonsburg tariff

~~2007-00141~~

Dear Beth:

Case No. 2007-00095

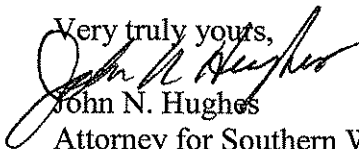
Southern Water and Sewer District (Southern), whose address is 245 KY Rt. 680, Box 610, McDowell, KY 41647, pursuant to 807 KAR 5:001(2)(8) requests full intervention in the tariff filing of the city of Prestonsburg. That tariff seeks approval of a wholesale rate increase to Sandy Valley Water District (Sandy Valley). Southern will acquire a portion of the assets, customers and service area of Sandy Valley, as reflected in the Commission's final order dated January 22, 2007 in Case No. 2006-00327.

The final transfer of the operations of Sandy Valley to Southern is expected to occur prior to the date any rate increase proposed by Prestonsburg can be approved by the Commission. Because Southern is the successor in interest to a portion of Sandy Valley's operations, it has a special interest in this matter, which cannot be represented by any other party. Southern can present information about the wholesale water rates and future water needs of the Sandy Valley Water District without unduly complicating or delaying the case and as such is entitled to full intervention in this matter.

As the acquirer of a portion of Sandy Valley, Southern objects to any increase in rates that might be applied prior to the final transfer of operations to Southern, asserts that any increase that might have been applicable to Sandy Valley is of no lawful effect subsequent to the final transfer of assets to Southern, which is expected to be finalized in the very near future, and upon dissolution of Sandy Valley any tariff reference to Sandy Valley will have no applicability.

For these reasons, Southern requests full intervention in this matter.

Very truly yours,


John N. Hughes
Attorney for Southern Water
and Sewer District