



O'BRIEN & GERE

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March 18, 2008

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

RE: Case No. 2007-00385
Status Report

Dear Mr. Burford:

Rowan Water, Inc. is continuing with its construction project funded by Rural Development. With the pay estimates presented this month by the contractors, the project is at the 50 percent complete mark. We expect with the arrival of spring that the contractors will be able to increase the pace of work.

We will notify you again at the 80 and 100 percent completion milestones.

Should you have any questions please contact either Jerry Patrick, Manager, Rowan Water, Inc. at 606.784.9818 or Riley Sumner, Project Manager, O'Brien & Gere Engineers at 859.223.0137 ext. 26.

Sincerely

Holly L. Nicholas
Sr. Project Financing Sepcialist

C: Jerry Patrick, Manager, Rowan Water, Inc.
Riley Sumner, Project Manager, O'Brien & Gere Engineers, Inc.