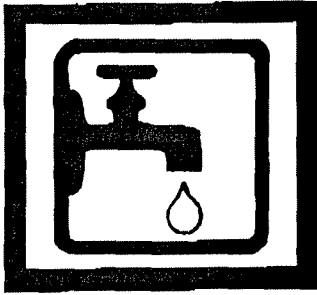


2008-00551

**NORTH MARSHALL WATER DISTRICT**

56 Frankfort Rd. • P.O. Box 850 • Benton, Kentucky 42025
Telephone (270) 527-3208 • Fax (270) 527-3039 • 1-800-491-3209 (area code 270 only)

RECEIVED**MAR 18 2009****PUBLIC SERVICE
COMMISSION**

March 18, 2009

Mr. James Rice
Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. 615
Frankfort, Kentucky 40602-0615

Dear Mr. Rice:

In reference to your phone inquiry of March 17, 2009, the North Marshall Water District has secured a loan for \$800,000 from First Kentucky Bank toward the purchase of radio read meters for the District. Total cost for the project is to be \$840,000, pending Public Service Commission approval.

The remaining \$40,000 will be internally generated. The District presently has a cash reserve of \$140,000. A portion of the cash reserve will be used to cover the software, instruction and reading hardware for the radio read meters. If you have further questions or need additional assistance, please feel free to call us.

Sincerely,

Brad Anderson, Superintendent
North Marshall Water District