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December 16, 2010

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DEC 20 2010

PUBLIC SERVICE
COMMISSION

Public Service Commission
Linda Faulkner
Division Director Filings
211 Sower Boulevard
Post Office Box 615
Frankfort, Kentucky 40602

Re: Case No. 2009-00541
Shelby Valley Sewer Project, Phase III, Section 2

Dear Ms. Faulkner:

In response to your letter dated November 30, 2010 regarding the above referenced matter, the Mountain Water District has not notified the commission of this project's status due to the fact that the project has not yet reached the 50% construction completion point. According to the project engineer, Summit Engineering, Inc., the project is currently 38% complete. It has been delayed due to grinder purchase issues. Summit Engineering, Inc. has been directed to notify the Mountain Water District when the project has reached the 50% threshold and we will submit a status letter in accordance with the Certificate of Convenience and Public Necessity at that time. The engineer has indicated that they anticipate completion and release of the project to the District within the next 60 to 90 days.

If you need anything further from the District regarding this issue, please contact me at 606-631-9162, extension 301.

Sincerely,

Grondall Potter
Manager

cc: Rhonda James, Chairperson
Greg May, UMG COO