LAW OFFICES OF STRATTON, HOGG & MADDOX, P.S.C.

P.O. BOX 1530 PIKEVILLE, KY 41502 PHONE: (606) 437-7800 FAX: (606) 437-7569 www.shmlaw.com

DAVID C. STRATTON STEPHEN L. HOGG DANIEL P. STRATTON HENRY D. STRATTON (1925-1989) F. BYRD HOGG (1922-1999) H. EDWARD MADDOX(1946-2003)

January 18, 2012

RECEIVED

Mr. Jeff Derouen, Executive Director Public Service Commission Post Office Box 615 Frankfort, Kentucky 40602-0615

FEB - 6 2012

PUBLIC SERVICE

COMMISSION

RE: Case No: 2011-00186

Dear Mr. Derouen:

On behalf of the Mountain Water District Board of Commissioners, thank you for your letter of January 12, 2012, requesting additional information in regard to our request for approval of a new contract between the District and Elkhorn City for wholesale water services. As you know, you have provided a very extensive list of information and requested it to be submitted no later than January 26th. Our Board does not meet until January 25th, and even if it met earlier, we would need additional time to provide this information. In a telephone call to your staff, they have advised me that due to the overall time line of the project, you would need this information by that deadline in order to be able to make a decision.

I discussed several options to this dilemma, and it was recommended by your staff that the District withdraw it's current application and then resubmit it with the requested information. After consulting with the chairman, this letter is to advise you that Mountain Water District hereby withdraws the above referenced application at this time. After we have had an opportunity to review this matter with the full Board, we will follow up pursuant to their instructions.

Sincerely,

Stratton, Hogg & Maddox, PSC

Daniel P. Stratton

email: dpstratton@setel.com

DPS/dsm

cc: Rhonda James

Roy Sawyers Grondall Potter Gerald Wuetcher