LEVEE ROAD WATER ASSOCIATION INC.

P.O. BOX 770

MT. STERLING, KY. 40353

AUGUST 6, 1998

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE SEF 07 1998 PURSUANT TO BOT KAN 5:011. SECTION 9(1)

COMMISSION

TO WHOM IT MAY CONCERN:

Enteroid 9-23-98

BEGINNING ON SEPTEMBER 1, 1998 BILLING, THE POWELLS VALLEY WATER DISTRICT MINIMUM COST OF WATER RECEIVED FROM OUR WATER ASSOCIATION WILL BE BILLED AT 3.50 PER THOUSAND GALLONS.

THIS RATE INCREASE IS DUE TO THE RECENT RATE INCREASE GIVEN TO US BY OUR DISTRIBUTOR, THE MT. STERLING WATER COMPANY. THIS RATE ALSO CONTINUES TO APPLY TO THE SET AMOUNT OF WATER NEEDED BY YOUR COMPANY FROM US THAT WAS AGREED UPON. NOT TO EXCEED 50,000 GALLONS A MONTH IN OUR PREVIOUS CONTRACT.

IF THIS COST INCREASE IS ACCEPTABLE TO YOUR DISTRICT, PLEASE SIGN THE SPACES PROVIDED BELOW. IF THEY DO NOT, PLEASE ADVISE OF OUR DISCONTINUING SERVICE TO YOUR COMPANY.

POWELLS VALLEY WATER DATE 9-98

John H Stevenson Sec

SINCERLEY,

LEVEE ROAD WATER ASSOCIATION

Brenda Munphy, Decretary 8-6-98