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ATTORNEYS

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August 28, 2007

VIA FEDERAL EXPRESS

Hon. Beth O'Donnell
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Re: *Application of Kentucky-American Water Company, a/k/a Kentucky American Water for Certificate of Convenience and Public Necessity Authorizing Construction of Kentucky River Station II ("KRS II"), Associated Facilities, and Transmission Line; Case No. 2007-00134.*

Dear Ms. O'Donnell:

We have enclosed, for filing with the Public Service Commission of the Commonwealth of Kentucky, an original and eleven (11) copies of Louisville Water Company's reply letter in support of its Motion to Amend Procedural Schedule. Please file-stamp one copy and return it to us in the enclosed, self-addressed stamped envelope.

Thank you, and if you have any questions, please call us.

Sincerely,



Edward T. Depp

ETD/lb

Enclosures

cc: All Parties of Record (w/encl.)
John E. Selent, Esq. (w/o encl.)

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Dear Ms. O'Donnell:

The purpose of this letter is to very briefly reply to the responses filed yesterday in opposition to Louisville Water Company's ("LWC's") motion to amend the procedural schedule.

In short, Kentucky-American Water Company ("KAWC"), the Bluegrass Water Supply Commission ("BWSC"), and the Kentucky Industrial Utilities Group ("KIUG") all overlook or misstate the following crucial facts. First, while LWC acknowledges the BWSC has held meetings at which LWC representatives have been in attendance, the fact is many possible solutions to effectively address the water supply issues in the Central Kentucky area have been discussed at those meetings. However, LWC has not been privy to the *details* of KAWC's plans until the filing of their application with the PSC. Furthermore, KAWC has rejected utilization of the contract between it and LWC and has not sought an updated proposal from LWC despite knowing LWC has responded to a number of invitations to present water supply proposals. Second, if – as the Commission's order granting intervention provides – the Commission is to consider the alternative plans that KAWC rejected, then it is only fair to permit LWC to provide the proposed supplemental testimony addressing and explaining the Louisville Pipeline. If KAWC has the right to explain its proposal (and attack others), then LWC should have the due process right to do the same.

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In summary, LWC proposes not to "put on hold" this proceeding, only to make it fundamentally fair and to provide the Commission with the benefit of all the best information available. LWC's proposed procedural schedule accomplishes this goal without significant prejudice to the parties. Accordingly, LWC respectfully requests that the Commission grant its motion.

Thank you, and if you have any questions, please call us.

Very truly yours,

DINSMORE & SHOHL LLP


John E. Selent

JES/mbt

cc: All Parties of Record
Barbara K. Dickens, Esq.
Edward T. Depp, Esq.