Dear Ms. Barkley:

Your comments have been received and will be placed into the case file for the commission's consideration as it deliberates in this matter. Thank you for your interest.

Andrew Melnykovych
Director of Communications
Kentucky Public Service Commission
(502) 564-3940 x 208

From: PSC - Public Information Officer
Sent: Thursday, September 13, 2007 1:29 PM
To: Melnykovych, Andrew (PSC)
Subject: FW: Case #2007-00134

From: Tona Barkley[SMTP:[redacted]]
Sent: Thursday, September 13, 2007 1:28:57 PM
To: PSC - Public Information Officer
Subject: Case #2007-00134
Auto forwarded by a Rule

Central Kentucky needs a solution to its future water needs that is cost effective for rate payers and provides drought protection. Kentucky American Water Company has failed to meet these criteria with its proposed water treatment plant near Monterey and pipeline to Lexington. KAW's plan is poor public policy and a costly mistake, both financially and ecologically.

The initial stage of KAW's plan, a 31-mile pipeline from Pool 3 on the Kentucky River to Lexington, would not provide long-term drought protection to Central Kentucky. Kentucky American's parent company, American Water Works, pointed out the Kentucky River's limits as a water source in an exhaustive study completed in 1992. Then in a 1998 mailing, KAW stated that there is a "dramatic deficit existing in the Kentucky River," a fact reiterated by the Bluegrass Water Supply Consortium in their 2004 *Water System Regionalization Feasibility Study.*

In contrast, the Ohio River, with 100 times the watershed of the Kentucky, is designated by water officials as an "unlimited source." This is why Phase II of KAW's plan, detailed in the BWSC's 2004 report, requires another pipeline to bring raw water 26 miles from the Ohio River at Carrollton to the proposed Monterey treatment plant. KAW's plan for long-term drought protection thus requires 57 miles of pipeline extending to the Ohio River, a new $60 million treatment plant, and a total cost of at least $265 million.

Compare this $265 million price tag to the $56 million alternative recently presented by the Louisville Water Company. A 38-mile pipeline to link up with LWC's meter point near Shelbyville can provide Lexington and surrounding communities with direct access to treated water from the Ohio River at a very reasonable price.

We'd get long-term drought protection in one step for less than the cost of just one part of KAW's plan (the treatment plant). Seems like a bargain to me. *And* there is no problem completing the project by the 2010 World Equestrian Games.

But wait a minute. Didn't citizens already defeat a KAW proposal to run a pipeline from Louisville to Fayette County in the 1990's?

Here's what's different: First, getting water from Louisville, which was touted by KAW in the '90s as the most cost-effective solution, will now cost even less since LWC is building and paying for a pipeline out to Shelbyville. And secondly, LWC has proposed a pipeline that hugs the already heavily-impacted Interstate corridor all the way into Fayette County.

What hasn't changed since the 1990's? A decade ago, the proposed route left the I-64 corridor and entered rural areas and farms, causing a public uproar. Now, there's a similar uproar because once again Kentucky American has chosen a cross-country route, this time through the farms of Franklin and Scott Counties, ending along Ironworks Pike in Fayette County.

Going cross-country can easily be avoided. Louisville Water Company is willing to partner with KAW and the Bluegrass Water Supply Commission. They have ample treated water capacity, and this water can be wheeled through existing water systems and the grid proposed by BWSC to service communities such as Georgetown, Nicholasville, and Winchester, if needed.

If Kentucky American Water receives Public Service Commission approval for their costly pipeline and treatment plant, the company will be assured a good return on their investment. But what about rate payers? According to figures published in the Herald-Leader, the cost of Phase I alone could drive rates up as much as 80% above present levels.

While a for-profit utility benefits by increasing its capital investments, the people of Central Kentucky would be better served by a less expensive and more rational plan that optimizes use of existing assets, creates flexibility and security in our water supply, and meets both the short- and long-term needs of the region.

I urge the Public Service Commissioners to deny Kentucky American's certificate of necessity and direct the company to begin a new collaboration with Louisville Water Company and the BWSC.

Tona Barkley
Owen County, Kentucky
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