RUBLIC SERVICE
COMMISSION

Public Service Commission (PSC)

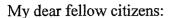
P.O. Box 615

Frankfort, KY 40602 FAX: 502-564-9625

Re: Kentucky American Water (KAW)

And the

Citizens of Central Kentucky



I am a concerned citizen who is <u>not</u> in favor of the KAW proposed plan to tap into Pool Three of the Kentucky River. This pool is shallow and debris ridden and in great need of repair, as is <u>all</u> of the river and its dams and locks. The PSC surely would not to allow KAW to fleece our central Kentucky's citizens along with our Kentucky River with a costly band-aid proposal at the rate payers expense. Times are hard enough for everyone now with economic uncertainties on all levels.

While realizing we need to upgrade water for everyone in the central Kentucky area, everyone needs to be very mindful of the rate payers. We need to get our water problems resolved as efficiently as possible with as little destruction as possible.

KAW has proposed a two phase project. Phase I includes a treatment plant on Pool Three of the Kentucky River in Owen County and the trenching of a 42 inch water line through several quaint communities and many farms in Franklin and Scott Counties @ \$165 million plus. There will be very little benefit to the inhabitants along the route, according to KAW. In nine years or so, Phase II begins @ \$100 million plus, another line will be trenched from Monterey to Carrollton to the Ohio River. According to KAW's own reports the Kentucky River will not be able to sustain the water needs of the area. All this will cost the rate payers an expense of over \$3.00 per 1000 gallons of water. KAW is a private, foreign conglomeration.

The publicly owned Louisville Water Company also has a pipeline proposal on the PSC table. It is a much less expensive plan with a locked in cost of \$1.70 per 1000 gallons of water until the year 2015. (\$88 million transmission line to the same area in Lexington) It is a **permanent** Ohio River solution to our water woes.

Looks easy: \$88 million for a permanent solution or a \$165 million band-aid solution with a \$100 million addition to get to the Ohio River - the final cure.

As you can tell by your invoices, KAW is not shy or hesitant to go before the PSC to ask for rate hikes. If the PSC approves the KAW plan over the LWC plan, as you can see, you will need to dig much deeper into your pockets for water and sewer usage.

CASE: <u>2007-00134</u>



General gave KAW a tiny smack on the wrist for requesting such an amount, and in the same breath gave KAW his blessed endorsement. Green pockets again?

While realizing we need to upgrade water for everyone in the central Kentucky area, we are strongly asking the PSC and everyone to be very mindful of the cost. We need to get our water problems resolved as efficiently as possible and to educate the public to conserve our water in our homes and businesses. All this needs to be with as little destruction as possible to our remaining land.

It has amazed us that the so called "water commissions" say they have been working on solutions and "doing studies" of the central Kentucky area for <u>over</u> twenty years. With all this "work" why have the dams on the river been allowed to disintegrate into such an alarmingly sad state of affairs? The per diems of these so called "commissions" must be great! Sounds like it is past time for change in the water commission arenas.

KAW (a private-for profit, foreign conglomeration) has proposed a two phase project. Phase I includes a treatment plant on Pool Three of the Kentucky River in Owen County and the trenching of a 42 inch water line through several quaint communities and many farms in Franklin and Scott Counties @ \$165 million plus. There will be very little benefit to the inhabitants along the route, according to KAW themselves. In nine years or so, Phase II begins @ \$100 million plus, another line is planned to be trenched from Monterey to Carrollton to the Ohio River. According to KAW's own reports the Kentucky River will not be able to sustain the water needs of the area, thus Phase II. All this will cost the rate payers an expense of over \$3.25 per 1000 gallons of water, to start.

Of course, at the Frankfort Plant Board hearing this past week, KAW has changed their story, and says that Pool Three of the KY River will suffice. Could it be that the counties involved in Phase II have told KAW that they will not be allowed to plunder their citizens and counties with this wildcat scheme as they are trying to do Franklin & Scott County citizens? Please come look at the river and you can see the shallow condition of all the water pools for yourself. Simply going fishing in the river has not been productive either, according to avid fisherpersons.

The publicly owned Louisville Water Company also has a pipeline proposal on the PSC table. Their proposal includes an **Ohio River** water transmission line starting from Route 53 in Shelby County to the Frankfort Plant Board facility. This line can be continued to Newtown Pike in Lexington @ \$88 million. This line is being proposed along the I64 corridor while I64 is being widened. This plan includes a locked in cost of \$1.70 per 1000 gallons of water usage until the year 2015. The LWC is not on the market for sale and the water is direct from the Ohio River. This week the Frankfort Plant Board chose this LWC proposal as the most sensible plan for them and the ratepayers. Could and upgraded FPB be the key to future Ohio River water for central Kentucky?

You do the math:



\$265 plus million KAW two phase plan with > \$3.25+ per 1000 gallons water usage fee from a foreign, private company who is for sale.

or

\$88 million LWC plan to run and Ohio River transmission line along the I64 corridor, with a locked in fee of \$1.70 per 1000 gallons water usage until the year 2015, from a local public-owned company.

It seems like we would want to concentrate on the most positive, economical route at this time and also upgrade all our other water resources. A renegade plan is not good for our citizens or our land.

We have learned in speaking to them, that many Owen County citizens, including Monterey citizens, did not know and still don't know of the KAW plan for this 42 inch transmission line to the Lexington area.

Owen County is reaping several million dollars of benefits for having the KAW water treatment plant located in their county. If the PSC approves the KAW line to Lexington, the line should run through Owen County and not in northern Franklin County.

All but two magistrates of Franklin County strongly sided with its citizens and presented and passed a resolution to support inquiries into other water solutions which included the LWC plan for economic and sensibility reasons. After the Fiscal Court resolution was presented and passed, finally, one of the two **elected** Franklin County officials who did not lend support to their constituents, gave the insight that, Franklin County stands to gain \$450 thousand a year for taxes from privately owned KAW to run the line through Franklin County. He was questioned on that point that since KAW is for sale, if a public entity were to purchase them, that tax income would be lost, not to mention the devastation to the area and the cost to the ratepayers for the renegade KAW plan.

Lock nine of the Kentucky River is being repaired at this time, yet the other 100 year old locks and dams can't be ignored and need extensive repair. The Kentucky River needs help now if it is going to sustain any of us in the future. One upper dam failure can cause domino effect damage to the rest of the dams downstream. The Kentucky River is no more than the Elkhorn Creek without its dams.

If upgraded, the Frankfort Plant Board treatment plant facility from Pool Four could supply even more water to those who are still hauling water to various ends of Franklin County and share even more water with our neighboring counties. Be aware though, that Pool Four isn't drought proof as this summer can attest, for if eastern Kentucky doesn't get rain we have a depleted water supply in Frankfort Plant Board's Pool Four, and Pools Three and Two are even less. **If Pool Nine isn't getting enough water to supply the Lexington area and can place them on alert, then where does that leave the pools lower than Pool Nine? We, who derive our water from the lower pools, already know the answer. Again, the FPB has chosen the LWC, Ohio River option to backup the water supply.

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In this area there is also the option on the Scott County table of a reservoir which was approved long ago and has only been used as a "dangling carrot" at election time, according to citizens of that county. Is this another green lining of the pockets? We are dealing with our **water** here.

For those who watch the RFD, Weather, and History Channels and read agricultural magazines you will see the water wars going on out in the western US between the agricultural communities and RWE who is the private, foreign parent company of KAW. RWE owns multiple water companies west of the Mississippi River. Farmers are having to sue to be able to use water for their livestock or grow anything agriculturally. Plus they pay exorbitant prices for water permits on top of the water usage! Where is it going to leave our local farmers who irrigate along the rivers and creeks of the central Kentucky area? It doesn't take a rocket scientist to figure it out.

We have a chance to do this right, fellow Kentuckians. Please don't be apathetic, contact your public officials, lawmakers and the PSC in writing to let them know of your feelings on this important water issue. If you write to the PSC, refer to Case # 2007-00134. The PSC hearing will be held November 26 - 28, 2007 in Frankfort.

In view of the present state of the economy, monies/grants should be available to help with public owned plans.

KAW is not thinking of us or the environment; they are thinking only of their profits and lining their pockets along with what seems to be several of our elected officials. Question your elected officials on this important matter. KAW doesn't want the public to know the truth of this issue and have the money for slick ads and propaganda.

Would KET allow ample time for citizens to randomly question a panel of KAW and elected and local officials of the area regarding this important water issue before any final decisions are made? Suggestions: Lexington Mayor Newberry, and Vice Mayor Gray, Former Mayor Issacs and Vice Mayor Ann Ross, Gov.-Elect Bashear & Gov. Fletcher, Ben Chandler, Mitch McConnell, Greg Stumbo, Mayors of surrounding cities and communities, Corp of Engineer official, Military heads. MG Donald Storm, water treatment plant officials from the area and Fiscal Court members.

Look at Atlanta, Georgia to see the devastation of little or no water. They have less than a thirty day water supply. Bless them in their strife.

Thank you for your attention Kentuckians. Again we repeat - please don't be apathetic on this water issue for it will affect us all. Please contact your lawmakers!

Jim & Kathryn Mucci W. Leestown Road Midway, Ky 40347

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PUBLIC COMMENT FORM

Name: Mucci.	
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Case: 2007-00134 KAW 42" Pipeline Propose	sl
COMMENTS: Since KAW is is private	
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Name: Mucci
Address: W. LEESTOWN Rd. Midway 40347
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Address: W. LEESTOWN Rd MIDWAY 40347
Case: 2007 - 00134 - KAW
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all should be working together for the good



Name: k. Mucci
Address: W. LEESTOWN Rd. Midway 40347
Case: 2007 - 00134 KAW 42' Pipel me
Proposal
COMMENTS:
If LWC proceeds to Frankfast Plant
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a smaller line is in an easement along
Route 60 in Woodford County
Exiements are already in place.
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Name: Jim Mucci Address: Vil. LEES town Rd., Midway 40347
Case: 2007-00134 KAW 42" Pipelu
COMMENTS:
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plant, this proposed sipeline Should be placed in Owen Country
by placed in Owen Counter
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Mail your comments to:

Kentucky Public Service Commission

PUBLIC COMMENT FORM

P.O. Box 615 Frankfort, KY 40602. Or fax to: (502) 564-9625 Name: Address: Case:_ **COMMENTS:**