

Dear Mr. Pratt :

Your comments have been received and will be placed into the case file for the commission's consideration as it deliberates in this matter. For your reference, the case number in this matter is 2007-00134. Please reference this number in any future correspondence with the PSC.

Thank you for your interest.

Andrew Melnykovich
Director of Communications
Kentucky Public Service Commission
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From: PSC - Public Information Officer
Sent: Monday, December 24, 2007 9:03 AM
To: Melnykovich, Andrew (PSC)
Subject: FW: Comments to the PSC

From: Don Pratt[SMTP: E-MAIL ADDRESS REDACTED]
Sent: Monday, December 24, 2007 9:02:59 AM
To: PSC - Public Information Officer
Subject: Comments to the PSC
Auto forwarded by a Rule

Andrew Melnykovich
case number: 2007-00134

In response to some of Nick Rowe's statements:

Regarding Nick Rowe's Lexington Herald article "Turn off the talk, turn on the water", I remember the truth after the head of KY AM recently wrote of his concern for our water supply.

First, Nick Rowe fix your leaky distribution pipes, help the Kentucky River Authority build crest-gates on dams 9 and 10 to increase our water supply (not dam 3), upgrade your treatment plant deficit and implement some REAL conservation and demand-side management programs. And if that won't take care of Lexington's thirst, why not take a shorter and more cost effective route to the Ohio River?

Your up-front construction cost comparison alone is amazing: KY AM's "Central Kentucky Solution" = \$165 million; a connection to the Louisville Water Company = \$88.1 million. You seem to low ball figures and LWC seems to high ball...more honesty on their part.

Also, it is well documented by a study, in which KAW participated, that this "Central Kentucky Solution" will only last for 20 years. Then a raw water pipeline will be required. And guess where? And for how much more? That's right the Ohio River for an additional \$100 million.

You claim that the Lexington-Fayette Urban County Government (LFUCG) and the Lexington Herald-Leader Editorial Board have long held that a Kentucky River solution is in the best interest of all our customers.

In fact, the LFUCG and the HL were thinking more about the upper pools of the Kentucky River for the 1999 source. The LFUCC resolution dealt exclusively with this part of the river, not Pool 3. In fact, there was no mention or thought given to building a new water treatment plant on Pool 3 back then. Nor was there any mention of the proposed 31 mile pipeline that would rip through the scenic Elkhorn Creek Valley.

As to the BWSC, it's almost meaningless except for name dropping by you. This public-private partnership that KAW touts is not at all viable. None of the members has made a financial commitment to the "Central Kentucky Solution."

The Frankfort Plant Board (the city's water provider and BWSC member) has recently voted to withdraw from the Central Kentucky Solution, citing the folly of the KAW proposal. They have chosen to go toward the Ohio now, not 20 years from now.

The mayor of Frankfort, Franklin County Fiscal Court, Frankfort/Franklin County Planning and Zoning Board and, most importantly, the Frankfort Plant Board have all publicly opposed the "Central Kentucky Solution."

One prominent BWSC liaison recently stated that "KAW will drop the BWSC like a lead balloon as soon as they get PSC approval."

Nick uses the "C" word, condemnation. It certainly was a contentious argument in the local ownership battle and should have been. But should the citizens just sit on their hands and NOT watch out for future generations? I think not.

The vote was heavily influenced by a highly financed PR effort by several paid PR firms and huge mistakes by the previous major inappropriately and untimely using the word regarding a shopping mall. I wonder just how much all that cost.

Speaking of condemnation, the campaign to keep Lexington's Water in private hands centered on Eminent Domain.

The PR firms employed by KAW cried "Don't let government take our private property!" I think irony drips from the Central Kentucky Solution.

KAW railed against Eminent Domain in their battle to keep control of Lexington's water, while they plan to use it (Eminent Domain) to take property from farmers and landowners from Fayette to Owen Counties, taking and rendering useless many acres in between—Franklin and Scott Counties.

Problem is water is relatively inexpensive now and relatively plentiful, but do you think it will be so in 20 years? I think not.

I urge readers to consider a 1998 newsletter published by KAW that says that a Louisville to Lexington pipeline connection was the "least cost alternative and the best environmental solution." In fact, a signed agreement to connect the two cities still exists. And KAW officials testified under oath that 65% of the planning on this very project has been completed. Last minute? Yet-to-be defined? I think not.

Add to all this:

LWC has testified under oath that they can provide up to 30 mgd to KAW through a pipeline alongside I-64.

KAW has stated that the Ohio River is an unlimited supply source. So much so that the Kentucky Division of Water does not even require water withdrawal permits like is required on the Kentucky River. The LWC, in fact, has excess capacity because the projected industrial demand has not materialized. The LWC testified under oath that should it need to do so, it can expand its treatment plant for a fraction of the cost of a new facility.

The LWC and its outside engineers, the RW Beck Company, have presented a formal proposal that is a part of the public record at the PSC that says increased supply at the same level as the Central Kentucky Solution can be delivered to Lexington in 2010. They testified under oath to this assertion.

The Central KY Solution is the right project at the right time if one's interest is the stockholder. If one's interest is the ratepayer, then the more cost effective solution is LWC.

Attorneys for two groups, the Louisville Water Company and Citizens for Alternative Water Solutions, demonstrated that there was a more cost effective and environmentally friendly alternative – a connection of the water grids of Kentucky's two largest cities alongside a very busy interstate corridor.

To be open and honest, the 2004 Feasibility Study, in which KAW was a partner, says that a Phase II of this Central Kentucky Solution will be required in about 20 years upon its completion. Phase II would entail building a water intake station on the Ohio River about 30 miles due north of the proposed Pool 3 water treatment plant and then building a pipeline from the Ohio to their this proposed plant. The water treatment plant capacity would have to be upgraded to treat this influx of new water. From there, the water would be treated and then shipped to Lexington in the proposed Phase I pipeline.

No work has been done to study the impact on farmland in the Pool 3 valley of raising the dam level at Dam 3. Does Rowe object to this ignorance? Will the farmers and landowners be accepting of the taking of their river bank lands through Eminent Domain?

Would this preclude the need to build the raw water pipeline to the Ohio River?

Installing crest gates on dam 3 is a new idea that has recently surfaced. Wise minds think this idea has surfaced as an alternative when the public realized that the Central Kentucky Solution had a Phase II - a raw water pipeline to the Ohio River.

The KRA just raised their rates on water withdrawal fees significantly. These fees help maintain the Kentucky River basin. This is an important role of the KRA. Unfortunately, the KRA has not been able to keep pace with the necessary work that is needed on the locks and dams of the Kentucky River, especially where needed dams for Pool 9 and above and for their crest gates. It is vitally important to adequately fund the KRA and for them to stick with the best usage of their funds. Deteriorating locks and dams need attention now.

Interestingly, the Attorney General's expert witness supported the KAW plan conditionally. Selectively, Mr. Rowe testified under oath that he could not abide by all of the AG's conditions.

A wide array of political leaders, cities, counties, and other organizations within our region do not support the Pool 3 solution.

A few of them are: Senator Julian Carroll, Representative Carl Rollins, Representative Charlie Hoffman, Frankfort mayor Bill May, the Franklin County Fiscal Court, the Frankfort/Franklin County Planning and Zoning Board, the Frankfort Plant Board (Frankfort's water provider and member of the BWSC) the Lexington League of Women Voters, the Spencer County Fiscal Court, the City of Simpsonville, the US 60 Water District and some Fayette County state legislators.

The water from the LWC connection can be ready to address our water-supply shortfall by 2010. There exists a signed agreement between KAW and the LWC from almost a decade ago. Sixty-five percent of the planning has occurred. LWC has testified under oath that if their plan is followed, they can deliver as much water to Lexington in the short and long-run as the Central Kentucky Solution.