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**DAMON R. TALLEY**

**ATTORNEY AT LAW**

May 27, 2008

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**PUBLIC SERVICE  
COMMISSION**

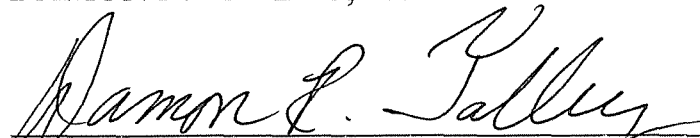
Ms. Stephanie L. Stumbo  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

RE: Case No. 2007-00134  
Kentucky-American Water Company

Dear Ms. O'Donnell:

Enclosed for filing are the original and ten (10) copies of the Bluegrass Water Supply Commission's Response to the Application of CAWS for a Rehearing.

Yours truly,  
DAMON R. TALLEY, P.S.C.



DAMON R. TALLEY, ATTORNEY

DRT/ms

Enclosure

cc: All Parties of Record

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KENTUCKY-AMERICAN )  
WATER COMPANY FOR A CERTIFICATE OF )  
CONVENIENCE AND NECESSITY )  
AUTHORIZING THE CONSTRUCTION OF ) CASE No. 2007-00134  
KENTUCKY RIVER STATION II, ASSOCIATED )  
FACILITIES AND TRANSMISSION MAIN )  
)

**BLUEGRASS WATER SUPPLY COMMISSION’S RESPONSE  
TO CITIZENS FOR ALTERNATIVE WATER SOLUTIONS’  
APPLICATION FOR REHEARING OF APRIL 25, 2008 ORDER**

The BLUEGRASS WATER SUPPLY COMMISSION (the “BWSC”), by Counsel, responds to the Citizens for Alternative Water Solutions’ (the “CAWS”) Application for a Rehearing of the Commission’s April 25, 2008 Order and requests the Commission to deny the Application for a Rehearing.

BWSC respectfully requests the Commission to deny the Application for a Rehearing filed by CAWS. In lieu of filing a lengthy Response, BWSC has chosen to adopt the arguments and rationale contained in the well-reasoned and persuasive Response filed on behalf of Kentucky-American Water Company (the “KAWC”) to CAWS’ Application for a Rehearing.

**Wherefore**, for the foregoing reasons, the BWSC respectfully requests the Commission to deny CAWS' Application for a Rehearing.

This 27<sup>th</sup> day of May, 2008.

Respectfully submitted,  
DAMON R. TALLEY, P.S.C.

A handwritten signature in cursive script that reads "Damon R. Talley". The signature is written in black ink and is positioned above a horizontal line.

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**CERTIFICATE OF SERVICE**

This is to certify that a true copy of the foregoing document has been served by first class U.S. Mail, postage prepaid, this 27<sup>th</sup> day of May, 2008, to the following:

Hon. A. W. Turner, Jr., Gen. Counsel  
Kentucky –American Water Co.  
2300 Richmond Road  
Lexington, Kentucky 40502

Hon. John N. Hughes  
124 West Todd St.  
Frankfort, KY 40601

Hon. Lindsey W. Ingram, III  
Stoll Keenon Ogden PLLC  
300 West Vine Street, Suite 2100  
Lexington, Kentucky 40507-1801

Hon. Thomas J. FitzGerald  
Kentucky Resources Council, Inc.  
PO Box 1070  
Frankfort, KY 40602

Hon. David E. Spenard  
Assistant Attorney General  
1024 Capital Center Drive, Suite 200  
Frankfort, KY 40601-8204

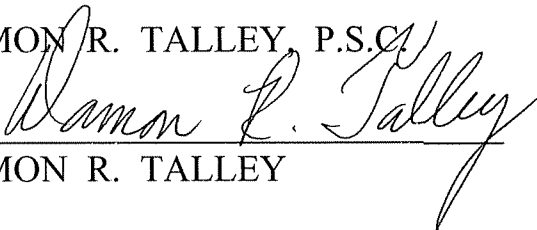
Hon. Stephen Reeder  
Kentucky River Authority  
70 Wilkinson Blvd.  
Frankfort, KY 40601

Hon. David J. Barberie  
Lexington-Fayette Urban Co. Gov.  
Department of Law  
200 East Main Street  
Lexington, KY 40507

Hon. John E. Selent  
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Hon. David F. Boehm  
Boehm, Kurtz & Lowry  
36 East Seventh Street, Suite 2110  
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Hon. Barbara K. Dickens  
Louisville Water Company  
550 South Third Street  
Louisville, KY 40202

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