



RECEIVED

NOV 16 2007

PUBLIC SERVICE  
COMMISSION

November 12, 2007

Ms. Beth O'Donnell  
Executive Director  
Public Service Commission  
21 1 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602  
**RE: Case # 2007-00134**

Dear Ms. O'Donnell:

Commerce Lexington Inc. supports the application of Kentucky-American Water Company to the Public Service Commission seeking approval to build a water treatment plant near Pool 3 on the Kentucky River and water transmission lines into Fayette County. Our support stems from a long-standing concern regarding improvements to our water supply, which is needed to sustain and enhance the quality of life this region enjoys.

We have advocated for a regional solution to the water supply problem and this plan has the promise of serving 10 or more communities. Because Kentucky American Water and the Bluegrass Water Supply Commission plan to share equity in the plant, we believe it will become a national model for regionalism.

Additionally, we favor improving the Kentucky River's lock and dam system as a means of protecting this important water source. By taking advantage of the ample water supply at Pool 3, this solution is consistent with this philosophy.

Many regional leaders are uniting to advance Central Kentucky's economic opportunities, including the support of this project. The Kentucky American Water application is the least expensive and most collaborative plan that has been researched over the years and that can be executed in a most timely fashion.

Time is of the essence. We cannot afford to lose jobs—current or future—from a lack of water to meet industrial demands. One failure to meet the need—or even to have a business considering Central Kentucky for a location or expansion perceive there was a chance we could not meet the need--would set us back many years.

For these reasons, we respectfully request that you approve the Kentucky American Water construction project.

Sincerely,

Robert L. Quick, CCE  
President and Chief Executive Officer