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Public Service Commission
P.O. Box 615
Frankfort KY 40602-0615

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COMMISSION

Re: Case 2007-00134, Kentucky American Water Company

Public Service Commission,

Since the 1988 drought I have served on all the major Committees, Authorities, and studies seeking the solution to the Central Kentucky water supply problem as well as have written a book on the Kentucky River (*The Five Lives of the Kentucky River*). This work has shown very graphically the immediate and critical water supply problem we have in Central Kentucky. ***This letter is in strong support of the Kentucky River Pool 3 solution as proposed by the Kentucky-American Water Company.***

The drought from which we just emerged was bad, but nowhere near the drought-of-record. Because Mother Nature can bring a very severe drought to our doorstep at any time, we do not have the luxury of continued delay to the solution to this problem. Positive action on the solution to this problem needs to be certain and immediate.

The Louisville Water Company proposal for the solution has many attractive features and had it been made six years ago, I would have supported it. Unfortunately, however, LWC stepped forward at the last second with its solution and has downplayed or ignored the time required for many factors which could delay the solution by many years. These factors include Federal, state, local, and private easement and right-of-way acquisition, financial/ownership arrangements, Corps of Engineers permits, Division of Water approval, PSC approval, engineering and bidding time, and other lesser items. All of these must be in place prior to construction, which will take a few years more. The Kentucky-American Pool 3 solution has all of these in place and expects to have its new facility in operation within 2-1/2 years.

The long term cost of either the Pool 3 solution or the LWC solution is very nearly the same. The cost of one solution appears more or less than the other depending upon which assumptions are used to project costs 20-30 years hence. Since cost projections 20-30 years in the future are at best a guess, cost should be a minor factor in the decision you have to make.

The Pool 3 solution is viable, doable, immediate, and will fill our water shortage gap for many years to come. I strongly urge its approval by the Commission.

Sincerely,


William F. Grier PE