

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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

KENTUCKY-AMERICAN WATER COMPANY'S RESPONSE
TO LOUISVILLE WATER COMPANY'S MOTION
TO SCHEDULE INFORMAL CONFERENCE(S)

On October 17, 2007, Louisville Water Company ("LWC") filed a Motion to Schedule Informal Conference(s) ("LWC's Motion"). Kentucky American Water (KAW) will rely on the Commission to determine how best to proceed with this Application. Nevertheless, KAW does have some comments on this somewhat unusual Motion.

As LWC acknowledges in the first numbered paragraph of the Motion, 807 KAR 5:001(4) provides for an informal conference prior to or during a hearing. Thus LWC's suggestion that the Commission schedule an informal conference after the hearing is not authorized by the regulations governing this case.

Moreover, the suggestion in the third numbered paragraph that the informal conference could function as an "administrative mediation" would have Staff serve in a role significantly different from any in which they have served in the past. Furthermore, and contrary to LWC's Motion, the only formal proposal in this case is KAW's, and this case is for consideration of that proposal. LWC has suggested that there is an alternative that KAW did not consider, but LWC has no application before the Commission for approval of any alternative. Thus KAW does not

anticipate the Commission will choose between alternative proposals but instead will either approve or reject the proposal that is the subject of this Application. “Mediation,” as between competing proposals, is therefore not appropriate in this case. Instead, an informal conference prior to a hearing is traditionally designed to facilitate settlement talks and define how the hearing will proceed. If the Commission believes an additional informal conference or conferences will assist in that manner, KAW will attend as requested.

Finally, LWC suggests that the parties’ experts should be at any additional informal conferences “to discuss the relative merits of the[] proposals.” KAW again disagrees that there are competing proposals before the Commission, and further cautions that an informal conference at which experts are requested to attend will increase the costs of this proceeding and any project ultimately approved. While KAW will follow the wishes of the Commission and bring all requested personnel, based on past experience, KAW believes any informal conference should be primarily for the parties and their attorneys, and witnesses should not play an active role.

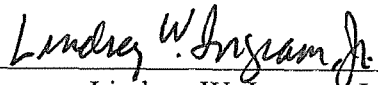
In conclusion, KAW neither opposes nor supports LWC’s Motion but does believe the Commission should utilize informal conferences pursuant to its regulations and past practice. KAW will await whatever resolution the Commission determines is best for this Application.

Respectfully submitted,

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CERTIFICATE OF SERVICE

This is to certify that on the 22nd day of October, 2007, the original and eight (8) copies of the foregoing were filed with the Public Service Commission and a copy of each served upon the following via U.S. Mail:

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