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RECEIVED

MAR 10 2008

PUBLIC SERVICE
COMMISSION

March 10, 2008

Via Hand Delivery

Hon. Beth O'Donnell
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

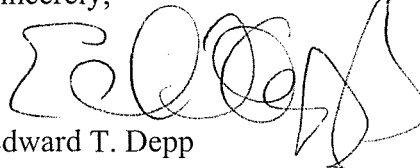
Re: *Application of Kentucky-American Water Company, a/k/a Kentucky American Water for Certificate of Convenience and Public Necessity Authorizing Construction of Kentucky River Station II ("KRS II"), Associated Facilities, and Transmission Line; Case No. 2007-00134.*

Dear Ms. O'Donnell:

We have enclosed for filing an original and eleven copies of Louisville Water Company's motion to schedule informal conference.

Thank you, and if you have any questions, please call me.

Sincerely,



Edward T. Depp

ETD/kwi

Enclosures

cc: All Parties of Record (w/encl.)
Barbara K. Dickens (w/encl.)
John E. Selent, Esq. (w/o encl.)

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RECEIVED

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

MAR 10 2008

PUBLIC SERVICE
COMMISSION

In the Matter of:

Application of Kentucky-American Water)
Company, a/k/a Kentucky American Water)
for Certificate of Convenience and Public)
Necessity Authorizing Construction of Kentucky)
River Station II ("KRS II"), Associated)
Facilities, and Transmission Line)

Case No. 2007-00134

**LOUISVILLE WATER COMPANY'S MOTION TO
SCHEDULE INFORMAL CONFERENCE**

Louisville Water Company, by counsel, pursuant to 807 KAR 5:001, hereby moves the Public Service Commission of the Commonwealth of Kentucky (the "Commission") to schedule an informal conference in this matter. The grounds for the motion are as follows.

1. 807 KAR 5:001(4) provides: "In order to provide opportunity for settlement of a proceeding or any of the issues therein, an informal conference with the commission staff may be arranged through the secretary of the commission either prior to, or during the course of hearings in any proceeding, at the request of any party." *Id.*

2. An informal conference would be in the best interest of Central Kentucky water rate payers and indeed the entire Commonwealth. Further, an informal conference will not delay a decision because nothing should produce a settlement quite so expeditiously as the uncertainty of what the Commission will soon decide.

3. The dialogue at the hearing on March 5 and 6, 2008 indicates there is a need for the parties to meet and discuss this case informally:

Chairman: Has Kentucky American sat down or attempted to sit down with Louisville Water Company between the hearing in November and the hearing today to attempt to explore some sort of a joint venture

or some sort of partnership in order to supply water to central Kentucky?

Ms. Bridwell: No. The proposal that was presented in November and then again I guess has been presented as – as new which I didn't see anything substantially new – continues to not be the cheapest project in Kentucky American's opinion, so no, we have no...I guess no, we have not.

Chairman: But, I mean what's new is that Frankfort, the City of Frankfort has now pulled out of the... has pulled out of the Bluegrass Water Supply Commission but has cast it lot, if you will, with Louisville Water Company. I mean, that's different, right?

Ms. Bridwell: Yes.

Chairman: That's a substantial difference, wouldn't you agree?

(Transcript of March 6, 2008 Hearing at 9:36:25.)

In fact, Louisville Water Company expected Kentucky American Water Company, after this dialogue with the Chairman, to request an informal meeting to discuss the Louisville Water Company's proposal and seek clarification on any points of that proposal with which Kentucky American takes issue. No such request was forthcoming, however, so Louisville Water Company makes this motion.

4. Among the topics to be discussed at an informal conference are:

(a) the desirability, from a technical and financial perspective, for Kentucky American Water Company to partner with at least one publicly owned water company to construct a pipeline linking Kentucky American Water company to the Ohio River and the treatment capacity of the Louisville Water Company;

(b) the feasibility and cost of interim measures to address the water supply deficit of Kentucky American Water Company; and

(c) given these interim measures, the immediacy of the need for Kentucky American Water Company to build both a treatment facility on Pool 3 of the Kentucky River and a 32 mile pipeline.

5. The Louisville Water Company invites Kentucky American Water Company and all other parties to this proceeding to join it in this motion. The Louisville Water Company believes that an informal conference under the auspices of the Commission and its expert staff would be in the best interest of all the parties to the matter, to the Commonwealth, and especially to the water rate payers of Central Kentucky.

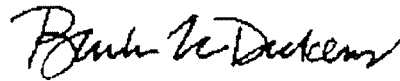
6. Alternatively, the Louisville Water Company seeks to participate with all parties in a mediation, with a mediator appointed by the Commission and paid for equally by the Louisville Water Company and Kentucky American Water Company, in an effort to resolve the substantial issues presented by this case.

7. An informal conference (or mediation) could provide the expert witnesses in this matter, Dr. Rubin, Dr. Wetzel, and Mr. Walker, an opportunity to sit down and discuss the assumptions and calculations upon which their testimony is based. While a discussion among the experts should have taken place by now, having such a discussion is still beneficial and could be highly productive. Such a meeting among experts could produce consensus or understanding on the reasonable solution to the water supply needs of Central Kentucky. Surely the water rate payers of Central Kentucky deserve nothing less than such a no-stone-left-untuned approach to resolving the substantial issue presented by this matter.

8. The Louisville Water Company's motion for an informal conference or mediation should be granted; the Louisville Water Company will come to the Commission's offices in

Frankfort at the convenience of the Commission as soon as possible to participate in the informal conference or mediation.

Respectfully submitted,



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-and-



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by was served via first-class United States mail, sufficient postage prepaid, on the following individuals this 10th day of March, 2008:

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