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OCT 16 2007

PUBLIC SERVICE
COMMISSION

October 16, 2007

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.*

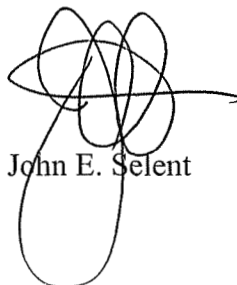
Dear Ms. O'Donnell:

We have enclosed, for filing, the original and ten (10) copies of Louisville Water Company's motion to schedule informal conference(s).

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

Very truly yours,

DINSMORE & SHOHL LLP



John E. Selent

ETD/lb
Enclosures

cc: All Parties of Record (w/encl.)
Barbara K. Dickens (w/encl.)

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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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) Case No. 2007-00134
River Station II ("KRS II"), Associated)
Facilities, and Transmission Line)

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

Louisville Water Company ("LWC"), 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(s) 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."

2. LWC understands that the Commission has scheduled an informal conference in this matter on November 20, 2007. LWC welcomes this informal conference, but, LWC believes (given its close proximity to the November 26th hearing) that the November 20th informal conference may not be as helpful in resolving this matter as a conference or conferences scheduled further from the hearing date, either before or after the hearing.

3. Therefore, an additional informal conference(s) as contemplated by 807 KAR 5:001(4) at earlier date(s), or a date(s) after the hearing, preferably both, would provide a genuine opportunity for the parties to discuss a resolution of the issues. Sometimes administrative mediation

is preferable to administrative adjudication in order to resolve a matter. LWC believes that this is such a case.

4. In one of its previous cases incorporated in this matter, the Commission characterized the issues in this matter as follows.

The evidence before this Commission indicates that additional steps must be taken and financial steps must be taken and financial resources will have to be committed to develop an adequate and reliable source of water supply, not only for the customers of Kentucky-American, but for all the citizens served by the Kentucky River. The evidence further indicates that the net effect of the Kentucky River Authority's proposed activities, if implemented, will be insufficient. . .

. . . It is therefore ordered that Kentucky-American shall take the necessary and appropriate measures to obtain sources of supply so that the quantity and quality of water delivered to its distribution system shall be sufficient to adequately, dependably, and safely supply the total reasonable requirements of its customers under maximum consumption through the year 2020.

In Re An Investigation of the Sources of Supply and Future Demand of Kentucky-American Water Company, Ky. Public Service Commission, Case No. 93-434 (August 21, 1997). This issue, as identified by the Commission above, is no small issue; it relates to the public health, safety and welfare, as well as the economic well-being of the Bluegrass Region, and the Commonwealth, as a whole.

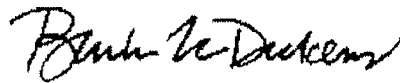
5. LWC has submitted a proposal (consisting of a Louisville-to-Lexington pipeline accessing the Ohio River) which represents the best and least cost alternative as compared to the project proposed by Kentucky-American and for which it seeks a certificate of public convenience and necessity in this matter (consisting of both a treatment plant and a pipeline). (*See* Prefiled Rebuttal Testimony of Gregory Heitzman.)

6. LWC believes the parties would all benefit from an informal conference(s) to discuss the relative merits of these proposals, directly, between the experts, without the cumbersome intermediary of cross-examination by attorneys. This informal conference(s) could include the

Commission, its staff, the parties, and all other interested parties who could talk directly to each other. At the very least, it will help develop and clarify issues.


7. To aid in reaching a resolution of this important matter, the Commission should grant LWC's motion for informal conference(s), both before and/or after the November 26th public hearing.

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 16th day of October, 2007:

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