

**Dinsmore & Shohl** LLP  
ATTORNEYS

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PUBLIC SERVICE  
COMMISSION

November 9, 2007

**VIA FEDERAL EXPRESS**

Ms. 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***

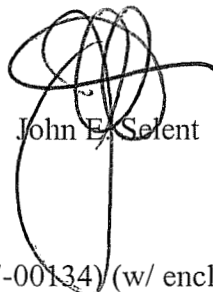
Dear Ms. O'Donnell:

Enclosed for filing in the above-styled case is the original and ten copies of a letter from R.W. Beck, Inc.

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

Very truly yours,

DINSMORE & SHOHL LLP



John E. Selent

JES/bmt  
Enclosure

cc: All parties of record (Case No. 2007-00134) (w/ encl.)  
Barbara K. Dickens, Esq. (w/ encl.)

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November 13, 2007

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COMMISSION



Mr. Jim Smith  
Manager, Infrastructure Planning  
Louisville Water Company  
550 South Third Street  
Louisville, KY 40202

Subject: **Summary of Revised Analyses**

It has come to our attention that the return on rate base for the capital investment related to UV plant (approximately \$8.3 million in 2011) in the Pool 3 financial models has been included twice in that it was included as both a line item and within the total plant return. As a result, the cumulative Present Worth Costs have been overstated by approximately \$9.3 million for all Pool 3 2030 models and approximately \$12.3 million for all Pool 3 2050 models. This does not alter the conclusions of our Final Report that Louisville Water Company's (LWC) water supply proposal is the least cost alternative in each of the scenarios summarized in our Final Report.

Corrected financial models will be forwarded to you by the end of this week.

Very truly yours,

R. W. BECK, INC.

A handwritten signature in black ink, appearing to read 'Edward D. Wetzel', written in a cursive style.

Edward D. Wetzel, Ph.D., P.E.  
Executive Vice President

cc: Barbara Dickens