



Lexington-Fayette Urban County Council

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PUBLIC SERVICE
COMMISSION

Jim Gray
Vice Mayor

November 27, 2007

Linda Gorton
At-Large Member

Chairman Mark David Goss
Vice-Chairman John W. Clay
Kentucky Public Service Commission
P.O. Box 615, 211 Sower Blvd.
Frankfort, KY 40602-0615

Chuck Ellinger II
At-Large Member

Andrea James
1st District

Dear Chairman Goss and Vice-Chairman Clay,

Tom Blues
2nd District

We write concerning Kentucky American Water Company's (KAWC) pending application in Case No. 2007-00134, currently being heard by the Kentucky Public Service Commission. As the locally-elected legislators representing Lexington-Fayette County's ratepayers, we wish as individuals to express some thoughts for your consideration.

Dick DeCamp
3rd District

Julian Beard
4th District

In our view, there are three over-arching criteria KAWC'S application must meet to merit the Commission's approval.

David B. Stevens
5th District

Kevin O. Stinnett
6th District

Timing and Cost-Effectiveness. We acknowledge that since 1999, water supply has been a serious issue for our region; in fact, a previous council passed a resolution encouraging a cost-effective solution with a preference for the Kentucky River. We recognize timing is important. So too is cost. Therefore, the solution should be both time sensitive and cost-effective for the ratepayers of Central Kentucky. According to the Attorney General's evaluation*, "the costs of the project proposed by KAWC are reasonably close to the only other option identified (the LWC pipeline and water purchase)." However, these findings were made prior to the Frankfort and Franklin County decisions to select the LWC pipeline solution. Perhaps the comparison costs are no longer valid and require re-evaluation in relation to Fayette County.

K. C. Crosbie
7th District

George G. Myers
8th District

Jay McChord
9th District

Don Blevins
10th District

Richard P. Moloney
11th District

Long-term Stability. Central Kentucky ratepayers require a long-term, stable water supply solution, ensuring water for the next 30 years and beyond. We believe that means eventual access to the Ohio River—now or later. The Ohio River will ensure redundant water supply in the event of a situation where the Kentucky River is unavailable or unusable.

Ed Lane
12th District

* p. 10 Rebuttal Testimony of Scott J. Rubin

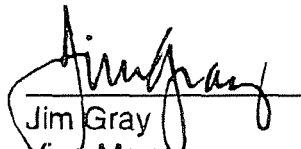



Chairman Goss and Vice-Chairman Clay
November 27, 2007
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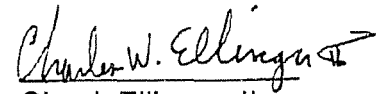
Environmental Impact. We support a proposal which will maximize water conservation and minimize environmental damage. Again, our sense is that further evaluation is necessary to make these determinations.

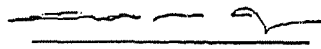
Thank you for your work on behalf of Kentucky's citizens. We are relying on you to be certain that our concerns and questions are answered as you make your deliberations. Please allow sufficient time to evaluate all options, especially with the new information regarding the positions of Frankfort and Franklin County.

Sincerely yours,


Jim Gray
Vice-Mayor

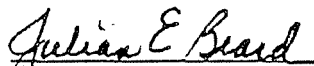

Linda Gorton
Council At-Large

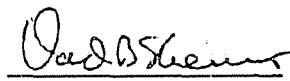

Chuck Ellinger, II
Council At-Large

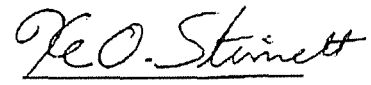

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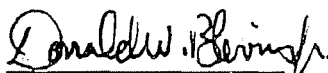

David Stevens, MD
5th District

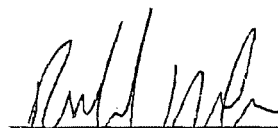

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