



Lexington-Fayette Urban County Council

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Executive
Director's Office

December 7, 2007

Jim Gray
Vice Mayor

Linda Gorton
At-Large Member

Chuck Ellinger II
At-Large Member

Andrea James
1st District

Tom Blues
2nd District

Dick DeCamp
3rd District

Julian Beard
4th District

David B. Stevens
5th District

Kevin O. Stinnett
6th District

K. C. Crosbie
7th District

George G. Myers
8th District

Jay McChord
9th District

Don Blevins
10th District

Richard P. Moloney
11th District

Ed Lane
12th District

VIA United Parcel Service

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

RE: Document Transmittal
Kentucky American Water Company
Case No. 2007-00134

Dear Chairman Goss and Vice Chairman Clay,

Enclosed please find a letter regarding the referenced matter that has been executed by five of the 15 elected councilmembers serving on the Council of the Lexington-Fayette Urban County Government.

Please make the attached a part of the public record for this matter.

Thank you.

Sincerely yours,

Scott Seymour
Legislative Assistant to
12th District Councilmember Ed Lane

Enclosure

Copy: Mayor Jim Newberry
Logan Askew, Commissioner of Law
Rebecca Langston, Council Administrator
All LFUCG Councilmembers





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December 4, 2007

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

Dear Chairman Goss and Vice Chairman Clay,

We are writing in regard to Kentucky American Water Company's (KAWC) pending application in Case No. 2007-00134, being heard by the Kentucky Public Service Commission. As elected council members representing Lexington-Fayette County's ratepayers, we wish to express our position in this matter. This letter reflects our individual opinions and is not an official action of the Lexington-Fayette Urban County Government.

In our view, there are four primary criteria KAWC'S application must meet to merit the commission's approval.

Cost-Effective. The water supply solution should be cost-effective for the ratepayers.

Long-term Solution. Central Kentucky ratepayers require a solution that has the potential to provide an adequate water supply for the foreseeable future.

Environmental Impact. The water supply solution should have a minimal impact on the environmental integrity of our commonwealth.

Timeliness. The feasibility of the water supply solution should be highly probable so there will be no unnecessary delays or inflationary cost in implementing its development.



Chairman Goss and Vice Chairman Clay
November 27, 2007
Page Two

We are relying on the professionals and financial experts at the PSC to carefully analyze the capital investment and long-term operating costs for KAWC's proposed water supply solution and any other alternative water supply proposals.

Obviously, providing a fair and balanced "apples to apples" cost comparison would be highly appropriate and beneficial to all stakeholders in this matter.

Because of the complexity of this analysis and the numerous sources of information/data being presented by interested parties, we believe that the PSC is the most competent entity to evaluate water supply options for Central Kentucky. The region for at least 20 years has been vulnerable to water supply deficiencies during drought periods. A final resolution on this matter is welcomed.

Thanks for your work on behalf of our constituents.

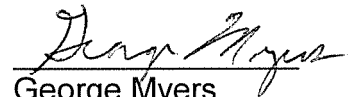
Sincerely yours,



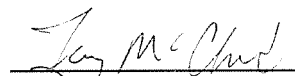
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