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Governor

Robert D. Vance, Secretary  
Environmental and Public  
Protection Cabinet

Timothy J. LeDonne  
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Commonwealth of Kentucky  
**Public Service Commission**  
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Mark David Goss  
Chairman

John W. Clay  
Vice Chairman

Caroline Pitt Clark  
Commissioner

January 16, 2008

Senator R.J. Palmer II  
Room 229  
State Capitol Annex  
Frankfort, KY 40601

Dear Sen. Palmer:

Thank you for your letter regarding the Kentucky Public Service Commission's case number 2007-00134, the application by Kentucky-American Water Co. for a certificate of public convenience and necessity for the construction of a water treatment plant on the Kentucky River in Owen County and a pipeline from the plant to Fayette County.

Because this matter is currently before the Kentucky Public Service Commission, I cannot discuss the substance of the case.

I can assure you that the Kentucky Public Service Commission believes that the source of water supply for Lexington and surrounding areas is a matter of utmost importance requiring an expeditious resolution. As you well know, it is also a topic of considerable complexity and intense public interest.

While the Kentucky Public Service Commission is moving steadily toward a decision in this case, we also are making a thorough and exhaustive examination of all of the issues and evidence. Our top priority is to make the best decision for the ratepayers who will be served by - and who ultimately will pay for - any new facilities.

If you wish to monitor the progress of the case, the case file and all PSC orders are available on our Web site, [psc.ky.gov](http://psc.ky.gov). If you need assistance locating the documents, please feel free to contact our Public Information Officer, Andrew Melnykovich, at 564-3940, x208. He will be happy to help you.

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Your letter will be placed into the record of this case. Thank you again for your interest in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark David Goss', with a long horizontal flourish extending to the right.

Mark David Goss  
Chairman