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PUBLIC SERVICE  
COMMISSION108 Teal Court  
Georgetown KY 40324  
November 20, 2007Kentucky Public Service Commission  
P.O. Box 615  
211 Sower Boulevard  
Frankfort, Kentucky 40602-0615

Re: PSC Case No. 2007-00134

Dear Commissioners,

Please deny Kentucky American Water's request to build a new Kentucky River water treatment plant and pipeline and act promptly to advance the much simpler, cheaper, more efficient and forward-looking plan offered by the Louisville Water Co.

This case presents a grand opportunity to move beyond narrow, reactive utility regulation and forcefully apply the PSC's own mission statement – that is, to “foster the provision of safe and reliable service at a reasonable price to the customers of jurisdictional utilities.”

In my view, the KAW scheme is a Rube Goldberg-like device cobbled together to make use of limited options that KAW has available, not to address the fundamental problem. The plan is complicated, expensive, risky and damaging to the region. Here's why:

- It relies on the same notoriously stressed source of water, the Kentucky River. That's akin to sticking another straw in a Coke bottle and claiming you've got more pop. The Ohio River represents a new, unlimited supply of water for the region.

- It's no “solution.” It's a Band-Aid. KAW's own handouts say the plant won't be done until 2010 and by 2030 must be expanded. When the Louisville pipeline is done, it's done.

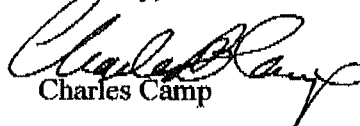
- At \$160 million, the KAW plan yields 25 million gallons of water a year for 20 years. That's 8 million bucks, plus profits, annually and then KAW returns for more. Is that a good price? Let's see apples-to-apples math. Ohio River water seems cheaper overall.

- It will deface a picture-book landscape. The hills, meadows, rock formations and creeks, including the remarkable Elkhorn, along the proposed pipeline are among the Commonwealth's most scenic. At a time when we're promoting tourism as an economic engine, why rip an ugly 30-mile gash across the canvas? The I-64 corridor already sweeps straight into the region, wide and clear. It is surely a construction engineer's dream.

- Its promotion has been offensive. The claim of no tap-ins for development through prime parts of Frankfort and Scott counties lacks credibility. Dire hints that denial will hurt the 2010 Equestrian Games insult our intelligence. Meanwhile, Fayette County plays possum in hopes of getting water with Scott and Franklin taking much of the hit.

Finally, from a public policy standpoint, it simply seems wise to introduce another well-qualified utility with a new source of water into the Central Kentucky equation. Times change and rigidly sticking to old, one-company-does-all monopolistic models no longer apply.

Sincerely,

  
Charles Camp