

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE FEASIBILITY)	
AND ADVISABILITY OF KENTUCKY-AMERICAN)	Case No. 2001-00117
WATER COMPANY'S PROPOSED SOLUTION)	
TO ITS WATER SUPPLY DEFICIT)	

ATTORNEY GENERAL'S RESPONSE TO THE
PROPOSED AGENDA FOR THE INFORMAL CONFERENCE

The Attorney General submits his Response to Kentucky-American Water's proposed agenda for the 14 March 2006 informal conference. The Attorney General agrees with Lexington-Fayette Urban County Government's request that Kentucky-American provide a status report (or update) regarding its efforts to enter into a contract with the Bluegrass Water Supply Commission.

The Attorney General further notes that Kentucky-American should also provide an update to its 19 March 2001 *Report to the Kentucky Public Service Commission, Source of Supply and Treatment Status*. Specifically, the update should discuss or cover the status of "Proposed Future Activities for Resolving the Source of Supply and Production Deficits" portion of the *Report* and note any changes in Kentucky-American's "decision tree" for addressing its source of supply and treatment requirements.

The Attorney General identifies one non-party that could play a useful role in connection with this proceeding. The Kentucky Infrastructure Authority

plays a central role in funding water infrastructure in the Commonwealth. The Attorney General submits that the Commission should give consideration to extending an invitation for the KIA to send a representative or liaison.

WHEREFORE, the Attorney General submits his Response.

Respectfully submitted,

GREGORY D. STUMBO
ATTORNEY GENERAL
/s/ David Edward Spenard
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Notice of Filing

Counsel gives notice that (pursuant to Instruction 4(a) of the Commission's 15 May 2001, Order of procedure) the original and three copies in paper medium have been filed by hand delivery to Beth O'Donnell, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601. Further, one copy in electronic medium has been filed by uploading the filing to the file transfer protocol site designated by the Executive Director all on this _9th_ day of February 2006.

/s/ David Edward Spenard
Assistant Attorney General

Instruction 10 Certification

Per Instruction 10 of the Commission's 15 May 2001, Order of procedure, counsel certifies that the electronic version is a true and accurate copy of the document filed in paper medium, the electronic version has been transmitted to the Commission, and the Commission and other parties have been notified by electronic mail (on _9th_ February 2006) that the electronic version has been transmitted to the Commission.

/s/ David Edward Spenard
Assistant Attorney General

Certificate of Service

Counsel certifies that this response has been served by mailing a true and correct copy of the same, first class postage prepaid, to Roy W. Mundy II, Kentucky-American Water Company, 2300 Richmond Road, Lexington, Kentucky 40502; Lindsey W. Ingram Jr., Stoll, Keenon & Park, LLP, 300 West Vine Street, Suite 2100, Lexington, Kentucky 40507-1801; Joe F. Childers, 201 West Short Street, Suite 310, Lexington, Kentucky 40507; Phillip J. Shepherd, P. O. Box 782, Frankfort, Kentucky 40602; Gerald J. Edelen, Department of the Army, Corps of Engineers, P. O. Box 59, Louisville, Kentucky 40201; Libby Jones, P. O. Box 487, Midway, Kentucky 40347; Damon R. Talley, P. O. Box 150, Hodgenville, Kentucky 42748-0150; Robert M. Watt, III, Stoll, Keenon & Park, LLP, 300 West Vine Street, Suite 2100, Lexington, Kentucky 40507-1801; David F. Boehm, Boehm, Kurtz & Lowry, 36 East Seventh Street, Suite 2110, Cincinnati, Ohio, 45202; Don R. Hassall, Bluegrass Water Supply Consortium, c/o Bluegrass ADD, 699 Perimeter Drive, Lexington, Kentucky 40517-4120; Anthony G. Martin, P. O. Box 1812, Lexington, Kentucky 40588; and David Barberie, Lexington-Fayette Urban County Government, Department of Law, 200 East Main Street, Lexington, Kentucky 40507 all on this _9th_ day of February 2006.

/s/ David Edward Spenard
Assistant Attorney General