

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT PETITION OF KENTUCKY-)	
AMERICAN WATER COMPANY, THAMES)	
WATER AQUA HOLDINGS GMBH, RWE)	
AKTIENGESELLSCHAFT, THAMES WATER)	
AQUA US HOLDINGS, INC., APOLLO)	CASE NO.
ACQUISITION COMPANY AND AMERICAN)	2002-00317
WATER WORKS COMPANY, INC. FOR)	
APPROVAL OF A CHANGE IN CONTROL OF)	
KENTUCKY-AMERICAN WATER COMPANY)	

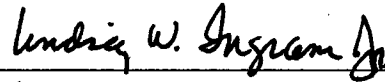
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**REPLY OF JOINT PETITIONERS TO
LFUCG'S RESPONSE TO NOTICE**

Joint Petitioners, Kentucky-American Water Company (“Kentucky-American”), Thames Water Aqua Holdings GmbH (“Thames Holdings”), RWE Aktiengesellschaft (“RWE”), Thames Water Aqua US Holdings, Inc. (“TWUS”) and American Water Works Company, Inc. (“American”), submit this memorandum in reply to the Response of the Lexington-Fayette County Urban County Government’s (“LFUCG”) Response to Joint Petitioner’s January 13, 2003, Notice to the Commission. LFUCG complains that the Joint Petitioners have closed the merger that is the subject of this proceeding while the “application . . . is still pending before this Commission” and states that it believes that RWE and Thames Holdings is not taking the lead “in enhancing Kentucky-American’s relationship with the Commission, state and local governments, and other community interests.” LFUCG, however, does not favor the Commission with a request for relief.

Joint Petitioners have set forth the reasons that they were legally entitled to proceed with the merger approved by the Commission in its Order of December 20, 2002, in their Response to the Notice and Motion Pursuant to KRS 278.020(4) & (5) Filed by Bluegrass FLOW, Inc., which Response is incorporated herein by reference. Since LFUCG has requested no relief nor justified its complaints, the Commission should disregard the Response of LFUCG to the Notice of the Joint Petitioners.

Respectfully submitted,

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APOLLO ACQUISITION COMPANY

CERTIFICATION

In conformity with paragraph 13 of the Commission's Order dated September 26, 2002, this is to certify that the electronic version of this Reply of Kentucky-American Water Company, Thames Water Aqua Holdings GmbH, RWE Aktiengesellschaft, Thames Water Aqua US Holdings, Inc., and American Water Works Company, Inc. to The Lexington-Fayette Urban County Government's Response to Notice is a true and accurate copy of the Reply of Kentucky-American Water Company, Thames Water Aqua Holdings GmbH, RWE Aktiengesellschaft, Thames Water Aqua US Holdings, Inc., and American Water Works Company, Inc. to The Lexington-Fayette Urban County Government's Response to Notice filed in paper medium; that the Joint Petitioners have notified the Commission and all parties by electronic mail on January 23, 2003 that the electronic version of this Reply of Kentucky-American Water Company, Thames Water Aqua Holdings GmbH, RWE Aktiengesellschaft, Thames Water Aqua US Holdings, Inc., and American Water Works Company, Inc. to The Lexington-Fayette Urban County Government's Response to Notice has been transmitted to the Commission, and that a copy has been served by mail upon:

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and that the original and three copies have been filed with the Public Service Commission in paper medium on the 27th day of January, 2003.

Lindsay W. Angerson, Jr.

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