

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)	

* * * * *
RESPONSE OF JOINT PETITIONERS TO
ORDER OF NOVEMBER 19, 2002

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”), Apollo Acquisition Company (“Apollo”) and American Water Works Company, Inc. (“American”), submit this response to the Commission’s Order of November 19, 2002, requiring further responses to Item Nos. 16, 17 and 19 of the First Request for Information of Lexington-Fayette Urban County Government (“LFUCG”) herein. The questions and the responses thereto follow.

16. Please indicate whether the Applicants intend to continue to utilize Jacobson Park as part of the KAWC system, and, if so, for how long. In the event that the Applicants do not intend to utilize Jacobson Park as part of the KAWC system for at least the remaining period of the existing lease agreement with the LFUCG, describe in detail for how long such use is intended, and what the Applicants intend to do with the park once it is no longer useful as part of the KAWC system.

RESPONSE:

16. Kentucky-American intends to continue to utilize Jacobson Park as part of its system for as long as it is used and useful in providing water service. Kentucky-American has no plans to divest itself of Jacobson Park because of its importance in the protection of the water supply in Jacobson Reservoir. Kentucky-American does not know how long, in chronological terms, it will continue to so utilize Jacobson Park.

17. Please provide all internal memoranda prepared by or for any of the Applicants that discusses future plans for Jacobson Park.

RESPONSE:

17. Applicants have no internal memoranda that discuss future plans for Jacobson Park.


19. Please state whether all of the Applicants would accept a condition that they will not sell Jacobson Park to anyone other than the LFUCG during the term of the current lease agreement with the LFUCG, even if KAWC finds a source of water supply sufficient to support a finding that Jacobson Park is no longer used and useful for water supply service. In the event any of the Applicants will not accept such a condition, please state why.

RESPONSE:

19. No. There are provisions in the current lease of Jacobson Park from Kentucky-American to LFUCG that address the sale and/or lease of the Park to LFUCG. In addition, Condition No. 7 in the Order of May 30, 2002, in Case No. 2002-00018 requires prior Commission approval of any sale of the land upon which Jacobson Park is located. Thus, there is no need to impose the condition set forth in item No. 19.

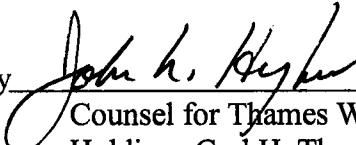
Respectfully submitted,

Lindsey W. Ingram, Jr.
Robert M. Watt, III
STOLL, KEENON & PARK, LLP
300 West Vine Street, Suite 2100
Lexington, KY 40507
(859) 231-3000

By 
Counsel for Kentucky-American
Water Company and American
Water Works Company, Inc.

And

John N. Hughes
124 West Todd Street
Frankfort, KY 40601

By 
Counsel for Thames Water Aqua
Holdings GmbH, Thames Water
Aqua US Holdings, Inc., Apollo
Acquisition Company and RWE AG

CERTIFICATION

In conformity with paragraph 13 of the Commission's Order dated September 16, 2002, herein, this is to certify that the electronic version of this pleading is a true and accurate copy of the pleading filed in paper medium; that the Petitioners have notified the Commission and the parties in this case by electronic mail on November 20, 2002, that the electronic version of this pleading has been transmitted to the Commission, and that a copy has been served by mail upon:

Foster Ockerman, Jr., Esq.
Martin, Ockerman & Brabant
200 North Upper Street
Lexington, Kentucky 40507

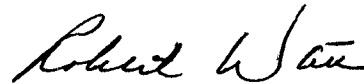
Dennis G. Howard, II, Esq.
David Edward Spenard, Esq.
Assistant Attorneys General
Suite 200
1024 Capitol Center Drive
Frankfort, Kentucky 40601

David J. Barberie, Esq.
Lexington-Fayette Urban County
Government
Department of Law
200 East Main Street
Lexington, Kentucky 40507

Anthony G. Martin, Esq.
P.O. Box 1812
Lexington, Kentucky 40588

Gerald E. Wuetcher, Esq.
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

and that the original and three copies have been filed with the Public Service Commission in paper medium on the 20th day of November 2002.



Counsel for Kentucky-American Water
Company