

**Kentucky.com**

LEXINGTON HERALD-LEADER

Our Local Channel

News

Business

Sports

Entertainment

Living

C

## Archives

### Article Search Results (Articles older than 7 days)

[Archive Advanced Search](#) | [Archive](#)Search  for  

**Note:** Searching is always free. There is a \$2.95 fee to view the full-text of any article.  
Check out our [Pricing Options](#).

### Lexington Herald-Leader (KY)

May 3, 2004

**Section:** Feedback**Edition:** Final**Page:** A10

## DON'T USE RATE REQUEST TO MUDDY WATER ISSUE

*Roy W. Mundy II*

At issue April 11 Herald-Leader editorial "Price is right for city to buy water company; condemnation effort should take heart from cost estimate"

In the past 26 months, the Herald-Leader has written 84 editorials -- more than three a month for two years -- supporting a takeover of Kentucky American Water by the Urban County Government.

During that time, the paper's editorial arguments supporting the takeover have not varied. The April 11 editorial regarding the commissioners' report on the cost of a takeover again points out the importance of keeping these last 26 months in context.

The majority of citizens -- a majority that has been present according to all credible polls since the summer of 2002 -- realizes that what our company has been saying for two years is based on fact, not emotion, and that our actions speak louder than our words.

The commissioners' April 7 report has no bearing on the condemnation case, a fact acknowledged by both sides, yet the paper thinks the community should be heartened by it. Contrary to the editorial's implication, the water company has never said it knows the final price of our company. What we have said is that based on engineering science, legal precedents and history across the country, the price will be hundreds of millions of dollars higher than the estimate of the

city's consultant, George Raffelis. That remains true today, and most citizens believe it.

The paper and takeover supporters have told citizens that the change of ownership to RWE Thames Water would end the high-quality water service provided for generations by Kentucky American. That has not occurred. The ownership change was finalized 15 months ago, and our customers continue to receive good water and service.

It is interesting how the paper wishes to disconnect the revenue needed to run a water company from how the city uses its money today. Of course, revenue from customers is used to run the water company and pay for its operation, maintenance and capital investment needs. We are not a political body. Our only priority is providing water.

The core issue in this debate is who is best qualified to own and operate the water company. To dismiss what is likely to be millions of dollars in taxes that will have to be spent to get a jury verdict lacks credibility. Most citizens don't want to spend dollars on top of dollars waiting for a jury verdict. They want the Urban County Council to reverse itself and focus on other priorities.

Since the emotional argument over RWE ownership proved to be unsubstantiated, takeover supporters want an emotional debate over water rates. When our company needs to increase revenue to preserve quality, we tell our customers. The reality is that we have not had a rate adjustment in four years, and it is time for us to ask the Kentucky Public Service Commission to review our rates.

We filed our case Friday, in an open and transparent way. We will state the facts, provide thousands of pages of factual testimony and justify our request. After months of scrutiny, rates may be adjusted, and water will still be the lowest utility bill customers pay each month. Your drinking water will continue to be a great value.

- Roy W. Mundy II is president of Kentucky American Water.

Copyright (c) 2004 Lexington Herald-Leader