

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.,) CASE NO. 2006-00197
AND AMERICAN WATER WORKS COMPANY,)
INC. FOR APPROVAL OF A CHANGE IN CONTROL)
OF KENTUCKY-AMERICAN WATER COMPANY)

**LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT'S RESPONSE**

COMES the Lexington-Fayette Urban County Government (the "LFUCG"),
by counsel, and submits the following Response to the Attorney General's Motion
for an Order Establishing the Criteria for the Proceeding and Motion to Amend
the Procedural Schedule.

The LFUCG substantially agrees with the Attorney General's arguments,
and has no objection to either motion. Moreover, the Commission indicated in
its Order of June 19, 2006 establishing the procedural schedule that the
procedural schedule was put in place "in the interim" until a decision was made
on the applicable statutes. Therefore, the LFUCG agrees with the relief sought
by the Attorney General in its motions.

Respectfully submitted,

LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT

BY: /s/ David J. Barberie (for)
Anthony G. Martin
P. O. Box 1812
Lexington, KY 40588
(859) 268-1451

BY: /s/ David J. Barberie
David J. Barberie
Corporate Counsel
Leslye M. Bowman
Director of Litigation
Department of Law
200 East Main Street
Lexington, Kentucky 40507
(859) 258-3500

ATTORNEYS FOR LEXINGTON-
FAYETTE URBAN COUNTY

CERTIFICATION, NOTICE OF FILING, CERTIFICATE OF SERVICE

Pursuant to Commission Order, counsel certifies that the electronic version of this document is a true and accurate copy of the document filed in paper medium, a copy in paper medium has been served on all the parties of record as further certified below, the electronic version has been transmitted to the Commission, and the Commission and other parties have been notified by electronic mail that the electronic version has been transmitted to the Commission, and an electronic version has been uploaded to the file transfer protocol site designated by the Executive Director. I further certify that an original and one (1) copy of this document were served by first class U.S. Mail delivery, postage prepaid, to Beth O'Donnell, Executive Director, Public Service Commission, P.O. Box 615, 211 Sower Boulevard, Frankfort, Kentucky 40602-0615; furthermore, it was served by mailing a copy by first class U.S. Mail delivery, postage prepaid, on the following, all on this the 8th day of August, 2006:

Hon. Gerald Weutcher
Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602-0615
JWuetcher@ky.gov

Hon. David Edward Spenard
Hon. Dennis Howard
Hon. Laura Rice
Assistant Attorney General
Office of the Attorney General
Utility & Rate Intervention Division
1024 Capital Center Drive
Suite 200
Frankfort, Kentucky 40601-8204
david.spenard@ag.ky.gov
dennis.howard@ag.ky.gov
laura.rice@ag.ky.gov

Lindsey W. Ingram, Jr., Esq.
Lindsey W. Ingram, III
Stoll Keenon Ogden PLLC
300 West Vine Street
Suite 2100
Lexington, Kentucky 40507-1801
ingramjr@skp.com
ingram3@skp.com

/s/ David J. Barberie
ATTORNEY FOR LEXINGTON-FAYETTE
URBAN COUNTY GOVERNMENT