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May 2, 2007

Public Service Commission  
211 Sower Blvd.  
Frankfort, KY, 40601

Case No. 7007-00143

To Whom It May Concern:

I am writing to protest the rate increases requested by Kentucky-American Water Company. I own several properties in Lexington and have been in favor of local ownership of the water company. I lived in Lexington all of my life until last year when I moved to Midway.

As a property owner, I protest rate hikes that are unnecessary. These rate hikes are not necessary. If they were, Kentucky American would have asked for them before the vote in last November's ballot concerning condemnation and the pursuit of local ownership of the water service. Since they have waited until after the referendum and used considerable amounts of money to push forward their financial and political agenda, mailing customers frequent requests to support their agenda, they obviously do not need the money unless they are preparing to finance another political campaign. I believe that the costs to solicit my vote must have been equal to my water use when I was living in Lexington.

In Midway, we enjoy local ownership. I feel confident that Lexington would benefit from local ownership. Kentucky American wants to build a pipeline and have customers pay for it instead of the money coming from their shareholders. This is not fair to the customers, and is a dangerous direction in which to head.

The cost of water is going to be a serious issue in the next 20 years as global warming compromises the availability of potable water. We must not make water akin to heat; unaffordable to the poor. The percentage of the population that is poor and extremely poor has grown by 20% or more in the recent year. In Kentucky, this figure is likely higher. With this decline of income colliding with the rising rate of water costs, we are going to have a serious water problem if you permit these rate hikes now. The water company could well spend much more on coping with customer inability to pay, as the gas company does now. These costs will push for more rate hikes, and a dangerous spiral could result.

Thank you for your attention to this letter. Please deny Kentucky American any rate hikes until their shareholders have been forced to pay for the most recent political campaign and the pipeline in their plans.

Respectfully,

Susan Schweder Bell