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Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

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PUBLIC SERVICE
COMMISSION

Re: Kentucky-American Water Company

Dear Sirs/Madams:

This letter is in response to a written notice received at my office this date stating that the above corporation, Kentucky-American Water Company, is seeking approval for a 31.27% increase for it's customer's located in the central Kentucky area.

I understand that your Commission has approved a new pipeline and plant with an anticipated cost of \$162 million to KY-American. We appreciate their investment in our community and dedication to providing a clean and adequate supply of water to the Lexington residents and businesses.

We too have made capital investments in our 50 plus years in business, but have never considered asking the government to approve an increase in our rates to offset all the costs of our capital investments. We choose to invest to increase our capabilities to produce income as well as the value of our company.

During the three months ended June 30, 2008, KY-American reported receiving authorizations for additional revenues from general rate cases in California and Arizona amounting to \$19.2 million. I would ask for justification of their request of an increase of \$18,494,634 for the single state of Kentucky.

The KY PUC is empowered by the people of this commonwealth to protect them from monopolized corporations that would gouge consumers with no recourse. We must have clean, available water to live in our communities, however, unreasonable rate requests such as this must be denied.

Thank you,
VINCENT FISTER, INC.

Dennis Tolson
President and General Manager