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July 6, 2012

HAND DELIVERED

Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

RECEIVED

JUL 06 2012

**PUBLIC SERVICE
COMMISSION**

Re: Kentucky American Water's Kentucky River Station II Water Treatment Plant

Dear Mr. Derouen:

In its April 25, 2008 Order in Case No. 2007-00134, the Commission granted Kentucky American Water's ("KAW") request for a Certificate of Public Convenience and Necessity to construct a 20 million gallons per day ("MGD") water treatment plant at Pool 3 of the Kentucky River. KAW completed construction of that plant, known as Kentucky River Station II ("KRS II") in 2010.

In Ordering Paragraph 10 of the April 25, 2008 Order, the Commission stated, "Within 10 days of the date upon which 80 percent of the KRS II's total capacity is used for a one-day period, Kentucky-American shall advise the Commission in writing of this occurrence." Please allow this letter to serve as the notification required by Ordering Paragraph 10 that, on June 28, 2012, 18.025 million gallons were pumped from KRS II into KAW's distribution system, which exceeds 80 percent of the 20 MGD rated capacity of KRS II.

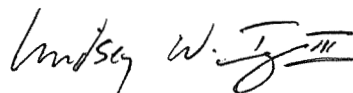
Please also be advised that KAW has used the current high demand period to further confirm the operating capabilities of KRS II and its associated facilities (all of which were approved as part of Case No. 2007-00134). Thus, although KRS II pumpage on June 28, 2012 exceeded 80 percent of KRS II's rated capacity, KAW's system wide pumpage, which includes all of KAW's treatment capacity, was at 77 percent of system wide rated capacity on that day.

Of course, should you have any questions or concerns about this matter, please do not hesitate to contact me.

Jeff Derouen
July 6, 2012
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Very truly yours,

Stoll Keenon Ogden PLLC

A handwritten signature in black ink, appearing to read "Lindsey W. Ingram III". The signature is written in a cursive style with a prominent flourish at the end.

Lindsey W. Ingram III

cc: Counsel of Record in Case No. 2007-00134

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