

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY-)	
AMERICAN WATER COMPANY TO AMEND)	CASE NO.
TARIFF TO REVISE QUALIFIED)	2022-00032
INFRASTRUCTURE PROGRAM CHARGE)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO KENTUCKY-AMERICAN WATER COMPANY

Kentucky-American Water Company (Kentucky-American), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested is due on March 31, 2022. The Commission directs Kentucky-American to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Kentucky-American shall make timely amendment to any prior response if Kentucky-American obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Kentucky-American fails or refuses to furnish all or part of the requested information, Kentucky-American shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Kentucky-American shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Direct Testimony of Krista Citron and Shelley Porter (Stafford/Citron Direct Testimony), Exhibit 1, Project List, and Case No. 2018-00358, the Direct Testimony of Brent O'Neill (O'Neill Direct Testimony) Exhibit 2.² For each project listed in QIP Year 2 in this proceeding, identify which of the projects is represented by the QIP Year 3 projects listed in O'Neill Direct Testimony, Exhibit 2.

² Case No. 2018-00358, *Electronic Application of Kentucky-American Water Company for an Adjustment of Rates* (filed Nov. 28, 2018), Direct Testimony of Brent E. O'Neill, Exhibit 2.

a. Explain whether the proposed QIP Year 3 project is less than, the same, or greater than the scope proposed in O'Neill Direct Testimony, Exhibit 2.

b. If the project is not identified in O'Neill Direct Testimony, Exhibit 2, for QIP Year 3 explain why the project is proposed in this proceeding instead of the projects in O'Neill Direct Testimony, Exhibit 2.

2. Refer to the Stafford/Citron Direct Testimony at 7 and Exhibit 1. Kentucky-American explains that by using a Geographical Information Systems (GIS), the project prioritization model ranking and the pavement condition rating were overlaid on a map of Kentucky-American's infrastructure, and projects were selected from among the streets that both ranked higher on the prioritization model and were rated as having poor pavement conditions.

a. Identify the projects on Exhibit 1 that were chosen as QIP Year 3 projects because of its pavement condition rating.

b. Identify the projects that were eliminated as QIP Year 3 projects due to the inclusion pavement condition rating.

c. Include a schedule containing the same information for each project identified in Kentucky-American's response to Item 2.b. as contained in Exhibit 1.

3. For each QIP project that is the subject of this proceeding, state how much of each size and material of pipe will be retired, and the age for all pipe to be replaced.

4. Refer to the Stafford/Citron Direct Testimony at 9. Kentucky-American estimates that the cost per foot for its proposed QIP Year 3 projects is \$265 per linear foot. For QIP Year 1 and QIP Year 2 provide comparison for each year the estimated linear cost per foot for the main replacements to the actual cost per linear foot.

5. Refer to the Stafford/Citron Direct Testimony at 9–10. Kentucky-American explains that it expanded the list of bidders for QIP projects and that bid packages for QIP Year 3 projects was sent to an expanded group of 7–8 contractors compared to 3–4 as in QIP Years 1 and 2.

a. Provide the impact the expanded contractor group had on Kentucky-American’s forecasted cost of QIP Year 3 projects.

b. Include documentation to support Kentucky-American’s response to Item 5.a.

6. Refer to the Direct Testimony of Tricia Sinopole at 7–8. Kentucky-American explains that in a general rate case using a forecasted test year it is required to file a base period rate base that reflects six months of actual and six months of forecasted financials. Kentucky-American adds that within 45 days of the close of the base year it is required to update its base year rate base to reflect a full 12 months of actual financials.

a. Provide the impact the base year update to actual information has on Kentucky-American’s requested revenue requirement in a general rate case using a forecasted test period.

b. Describe the relationship the base year filed in a general rate case using a forecasted test year has to the 12-month forecasted period used in a QIP case.

c. Explain is the QIP tariff rider contained in Kentucky-American’s tariff includes the proposed true-up proposed by Kentucky-American.

7. Refer to Kentucky-American’s Application, Excel Workbook: KAW_DT_TS_WP_030122.xlsx; Tab: 2022_QIP Spend Jan 22-June 23 and Tab: QIP 1 Recon – Data. Provide in an Excel Spreadsheet format with all formulas, columns, and

rows unprotected and fully accessible the QIP Year 3 forecasted main replacements information by individual project using the form contained in QIP 1 Recon – Data. The last column in the spreadsheet shall be the calculation of the 13-month averages.



Linda C. Bridwell, PE
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Public Service Commission
P.O. Box 615
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DATED MAR 28 2022

cc: Parties of Record

Case No. 2022-00032

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