

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY-	)	
AMERICAN WATER COMPANY FOR A	)	CASE NO.
BALANCING ADJUSTMENT FOR ITS QIP	)	2023-00300
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, shall file with the Commission an electronic version of the following information. The information requested is due on December 1, 2023. The Commission directs Kentucky-American to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> 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

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<sup>1</sup> 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 or incomplete when made or, though correct or complete when made, is now incorrect or incomplete 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 and scanned 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 Case No. 2018-00358,<sup>2</sup> the Direct Testimony of Brent O'Neill (O'Neil Direct Testimony), Exhibit 2, Replacement Program Report 2018 at 4, Table 2, Distribution System Material Types. Provide an update of the information contained in Table 2 in the format provided below.

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<sup>2</sup> Case No. 2018-00358, *Electronic Application of Kentucky-American Water Company for an Adjustment of Rates* (Ky. PSC June 27, 2019).

Original Table		QIP 1 Proposed		QIP 1 Actual		QIP 2 Actual		Non-QIP		Total	
Miles of Material	Percentage of System	Miles of Material	Percentage of System	Miles of Material	Percentage of System	Miles of Material	Percentage of System	Miles of Material	Percentage of System	Miles of Material	Percentage of System

By Material

2. Refer to Case No. 2018-00358, O’Neil Direct Testimony, Exhibit 2, Replacement Program Report 2018 at 4, Table 3, Miles of Existing Material Types Installed by Decade. Provide an update of the information contained in Table 3 in the format provided below.

Original Table	QIP 1 Changes	QIP 2 Changes	Non-QIP Changes	Total
Miles of Main by Material	Miles of Main by Material	Miles of Main by Material	Miles of Main by Material	Miles of Main by Material

By Decade

3. Regarding Castlewood - Phase I Project:
  - a. Explain why paving and restoration expenses were greater than planned.
  - b. Provide an estimate of the impact the paving cost-sharing with Lexington-Fayette Urban County Government (LFUCG) and Columbia Gas had on the completed project cost.
4. Regarding Bluegrass/Highlawn Project, provide an updated estimate of the impact the paving cost-sharing with LFUCG had on the completed project cost.
5. Regarding National Avenue Project, explain why this project required additional cold patch - temporary asphalt.
6. Regarding Whitney/Ash Project, explain why nearly all service lines required replacement compared to estimated.

7. Regarding Montclair Drive Project:
  - a. Explain why this project required full curb-to-curb width paving.
  - b. Provide an estimate of the impact the paving cost-sharing with LFUCG had on the completed project cost.
  
8. Regarding Summit Drive Project:
  - a. Explain why this project required full curb-to-curb width paving.
  - b. Provide an estimate of the impact the paving cost-sharing with LFUCG had on the completed project cost.
  
9. Regarding Westgate/Hamilton Park Project, explain why this project required curb-to-curb width paving in most areas rather than the 5' paving as originally budgeted. Provide a comparison of the original forecasted paving to the actual paving cost incurred.
  
10. Regarding Lancelot Project, explain why this project required curb-to-curb width paving in most areas rather than the 5' paving as originally budgeted. Provide a comparison of the original forecasted paving to the actual paving cost incurred.
  
11. Regarding Kilrush/Caywood Project, explain why this project required "parking lane widths" of ~6' plus all intersections and full cul-de-sac bulbs rather than the 5' paving as originally budgeted. Provide a comparison of the original forecasted paving to the actual paving cost incurred.
  
12. Regarding Merrimac/Fogo/Crewe Project, explain why this project required "parking lane widths" of ~6' plus all intersections and full cul-de-sac bulbs rather than the 5' paving as originally budgeted. Provide a comparison of the original forecasted paving to the actual paving cost incurred.

13. Regarding Tisdale/Fraserdale Project, explain why this project required “parking lane widths” of ~6' plus all intersections and full cul-de-sac bulbs rather than the 5' paving as originally budgeted. Provide a comparison of the original forecasted paving to the actual paving cost incurred.

14. Regarding Montavesta Road Project, provide an estimate of the impact the paving cost-sharing with LFUCG had on the completed project cost.

15. Refer to Direct Testimony of Jeffery Newcomb (Newcomb Direct Testimony), page 3 lines 4 through 8. Provide the presentation of the QIP 3 Actual “End of Period Rate Base for QIP 4” and the presentation of the “QIP 4 Rider Charge with QIP 3 Balancing Adjustment” absent the QIP balance in base rates in pending case 2022-00191.

16. Refer to Newcomb Direct Testimony, page 5 lines 14 through 17. Explain how the portion of billed QIP revenues were inadvertently omitted in Case No. 2022-00328 and what procedures has Kentucky-American put in place to ensure this does not occur in the future.

17. Refer to Newcomb Direct Testimony, Exhibit 1 pages 7 through 10, Reason for Variance column.

a. For each project listed as “still underway.” Explain if the project timeline was on its original completion schedule at the end of June 2023.

b. For each project that was not on schedule, provide an explanation as to why the project was not on schedule.

c. For each project that notes “contractor bids were higher than originally estimated,” explain the specific factors that lead to the original estimate projecting lower contract costs.

18. Explain what steps Kentucky-American has taken to reduce cost variances by ensuring its original project estimates are more in line with total project costs.



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DATED NOV 07 2023

cc: Parties of Record

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