

PUBLIC SERVICE COMMISSION
Case No. 2007-00134

KENTUCKY-AMERICAN WATER COMPANY

Responses to Commission Staff's
Second Set of Interrogatories

RECEIVED

JUN 18 2007

PUBLIC SERVICE
COMMISSION

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00134**

**COMMISSION STAFF'S SECOND SET OF INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS**

Item 1 of 10

Witness: Richard C. Svindland

1. Refer to Kentucky-American's Response to Commission Staff's First Set of Interrogatories and Request for Production of Documents, Item 20(c).
 - a. State the basis for Kentucky-American's position that the Drinking Water Branch of the Kentucky Division of Water ("DOW") will require a 1 year pilot study for the installation of an ACTIFLO® treatment process on the Kentucky River.
 - b. Provide all memoranda, correspondence, electronic mail messages, and other documents between Kentucky-American or American Water Works Company ("AWWC") officials, employees, or consultants and DOW concerning the 1 year pilot study for the ACTIFLO® treatment process.

Response:

- a. There was an editing mistake in the response to the Commission Staff's First Set of Interrogatories and Request for Production of Documents, Item 20(c). The Kentucky Division of Water ("DOW") **does not** require a 1 year pilot study for the installation of an ACTIFLO® treatment process in the state as long as the loading rates are at or below 16 gallons per minute per square foot.
- b. Not applicable.

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Item 2 of 10

Witness: Louis M. Walters

2. Refer to Kentucky-American's Response to Commission Staff's First Set of Interrogatories and Request for Production of Documents, Item 29.
 - a. Explain why Kentucky-American limited its tax-exempt financing to \$5 million in this illustration.
 - b. The analysis provided did not take into account the internal cost in completing two separate financing transactions. State the effect that internal financing costs would have on the average weighted cost of debt comparison. Provide all documents, show all calculations, and state all assumptions used to derive this response.

Response:

- a. In the Direct Testimony of Louis M. Walters at page 4, line 6 the following is stated, "Given the overall size of the Project, KAW will pursue tax-exempt financing if it is likely to result in a debt financing of at least \$5 million."

In KAWC's opinion, the \$5 million level represents the absolute minimum level of tax-exempt debt worth pursuing. Accordingly, tax-exempt financing at levels in excess of \$5 million will further enhance a positive benefit on the weighted average cost of debt for the project.

- b. Please see the attached worksheet. The analysis provided in response to item 29 of 34 in the First Set of Interrogatories has been refined to include an estimate of the internal costs associated with completing the two financing transactions. Note that the internal costs include base labor, a benefits overhead factor and a general overhead factor. Included in the general overhead factor are such items as office space and related utilities, computer support and administrative support.

With the addition of internal costs, the total all-in rate for the tax-exempt financing increases 2.6 basis points to 4.934% from 4.908% and the AWCC taxable financing increases 0.1 basis point to 5.695% from 5.694%. The weighted average of the combined \$5 million KAWC tax-exempt financing and the \$26.6 million AWCC financing is 5.574% with the inclusion of internal cost as compared to 5.570% when internal labor costs are ignored.

Kentucky-American Water
Comparison of Issuance Costs
(Including Internal Costs)

	KAWC		KAWC		TOTAL		AWCC	
	Tax-Exempt(1)		Taxable(2)				Taxable(3)	
Financing Amount	\$	5,000,000	\$	26,640,000	\$	31,640,000	\$	1,100,000,000
Maturity (Years)		30		12.92		12.92		12.92
Interest rate		4.600%		5.668%		5.668%		5.668%
Out-of-pocket Expenses/Fees								
Underwriters Counsel	\$	80,000					\$	162,000
Company Counsel	\$	200,000					\$	276,200
Authority's (Borrower's) Counsel	\$	60,000						N/A
Investment Bankers' Fee	\$	50,000					\$	3,300,000
Bond Insurance(4)	0.60%	71,400						N/A
Internal Costs (Labor)	\$	39,841					\$	49,064
TOTAL	\$	501,241					\$	3,787,264
As a percentage of principal		10.02%		0.34%				0.34%
Annual cost as a percentage of principal		0.334%		0.027%				0.027%
Total all-in Rate		4.934%		5.695%				5.695%
Weighted average KWAC Year 1						5.574%		

Net savings from addition of tax-exempt debt represents 12.1 basis points (5.695% - 5.574%) annually over the life of the private placement debt.

Assumptions

Total size of Project	\$	158,200,000
% debt	60%	\$ 94,920,000
% equity	40%	\$ 63,280,000
Debt financing requirement 1/3 each year		
Year 1	\$	31,640,000
Year 2	\$	31,640,000
Year 3	\$	31,640,000

- (1) Tax-exempt debt calculations based on estimates of costs associated with similar transactions completed in other states
- (2) KAWC is assumed to borrow \$26.6M from AWCC.
- (3) Taxable Debt calculations based upon recently completed AWCC Private Placement offerings. See page 2.
- (4) Bond insurance required for Tax-exempt debt to receive an AAA rating, 60 basis points x total principal and interest.

American Water Capital Corp.
Private Placement Debt Issuance

Weighted average interest rate of \$1.1 Billion Private Placement issue

12/21/2006	Amount	Interest Rate	Maturity (Years)	Weighted Average Interest	Weighted Average Maturity (Years)
Series A	\$ 101,000,000	5.390%	7	5,443,900	707,000,000
Series B	\$ 37,500,000	5.520%	10	2,070,000	375,000,000
Series C	\$ 329,500,000	5.620%	12	18,517,900	3,954,000,000
Series D	\$ 432,000,000	5.770%	15	24,926,400	6,480,000,000
3/29/2007					
Series E	\$ 100,000,000	5.620%	12	5,620,000	1,200,000,000
Series F	\$ 100,000,000	5.770%	15	5,770,000	1,500,000,000
Total	<u>\$ 1,100,000,000</u>			62,348,200	14,216,000,000

Weighted Average Interest Rate	5.668%
Weighted Average Maturity	12.92

American Water Capital Corp.
Internal Costs Labor
Estimated Hours and \$

Treasury Staff	Hourly Rate	Benefits (1) O/H Rate	General(2) O/H Rate	Fully Loaded \$/hr	KAWC (3)		AWCC(3)	
					Hrs Required	Tax-Exempt (\$5M)	Hrs Required	Taxable(\$1.1B)
1	\$ 90.00	39%	50%	\$ 170.10	8	\$ 1,361	120	\$ 20,412
2	\$ 65.00	39%	50%	\$ 122.85	136	\$ 16,708	120	\$ 14,742
3	\$ 38.00	39%	50%	\$ 71.82	200	\$ 14,364	120	\$ 8,618
Legal	\$ 70.00	39%	50%	\$ 132.30	56	\$ 7,409	40	\$ 5,292
Total					400	\$ 39,841	400	\$ 49,064

(1) Benefits O/H Rate based on Company estimate.
(2) General O/H Rate for office space, computer support, administrative support based on Company estimate.
(3) Hours are estimated based on similar transactions.

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Item 3 of 10

Witness: Linda C. Bridwell

3. Provide the purchased water contract between Kentucky-American and the Louisville Water Company.

Response:

Please refer to pages 69-90 of the attachment to the response to Item 4 of the Commission Staff's First Set of Interrogatories in this case.

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**KENTUCKY-AMERICAN WATER COMPANY
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Item 4 of 10

Witness: Michael Miller

4. Refer to Kentucky-American's Response to Commission Staff's First Set of Interrogatories and Request for Production of Documents, Item 31.
 - a. Kentucky-American has a forecasted rate base for the 2008 rate case of approximately \$115.8 million. State whether this amount represents the construction costs of the proposed treatment facility that Kentucky-American reported in 2008 as Construction Work In Progress ("CWIP")?
 - b. If the response to Item 4(a) is yes, explain why Kentucky-American did not include an Allowance for Funds Used During Construction ("AFUDC") offset in its 2008 rate case forecast.
 - c. Kentucky-American calculates depreciation expense of approximately \$3.6 million to be included in the 2010 rate case.
 - (1) State whether Kentucky-American is using its present depreciation rates to calculate this amount.
 - (2) State whether the depreciation rates that Kentucky-American has proposed in Case No. 2007-00143 were used to calculate the amount of depreciation expense.
 - (3) State the depreciation method (average remaining life or anticipated whole life) that Kentucky-American used, in making its calculation.

Response:

- a. If this question is referring to KAWC's filing in case number 2007-00143, the answer is no. KAWC did include the forecasted expenditures for the Source of Supply project as CWIP through November 2008 in the current rate filing and that amount of CWIP was \$40,876,382. The \$115,778 million referenced above was the amount of CWIP included in a potential rate case to be filed in September 2008 and reflects the CWIP through the forecasted test period of March 2010.
- b. The Company did include AFUDC on all CWIP related to the Source of Supply Project included in the forecasted test-year in its current rate filing.

- c.
- (1) The Company used an estimated composite depreciation rate determined from the current depreciation rates of KAWC and the estimated breakdown of the project by 300 account. The estimated composite depreciation rate was 2.25%.
 - (2) See the response to c. (1) above.
 - (3) See the response to c. (1) above. The current depreciation rates of KAWC were determined using the remaining life method.

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Item 5 of 10

Witness: Michael Miller

5. Using the most recent studies that examined the cost of Kentucky-American purchasing its additional water requirements from Louisville Water Company in lieu of the construction of a new water treatment facility, state the effect upon areas of Kentucky-American's financial operations that are listed below if Kentucky-American chose that option. Assume that all necessary facilities have been operational for one year and that the level of water purchases from Louisville Water Company would be equal to the level of water produced at the proposed Kentucky River plant. —
- a. Rate Base
- (1) Utility plant in service by 300 sub-accounts.
 - (2) Accumulated depreciation.
 - (3) Working capital allowance.
 - (4) Contributions in aid of construction.
 - (5) Deferred Taxes.
- b. Income
- (1) Water sales outside Kentucky-American's present service area.
 - (2) Labor costs.
 - (3) Purchased Water
 - (4) Fuel and power.
 - (5) Chemicals.
 - (6) Waste disposal.
 - (7) Management fees.
 - (8) Group insurance.
 - (9) Pensions.

- (10) Insurance other than group.
- (11) Customer accounting.
- (12) Rents.
- (13) General office expenses.
- (14) Miscellaneous.
- (15) Maintenance – Other.
- (16) Depreciation expense detailed by 300 sub-accounts and show composite rate.
- (17) Property taxes.
- (18) Payroll taxes. —
- (19) State income taxes.
- (20) Federal income taxes.

c. Capital Structure

- (1) Long-term debt and related rate of interest.
- (2) Short-term debt and related rate of interest.
- (3) Preferred Stock and cost.
- (4) Common Equity.

Response:

Please see the responses to CAWS DR1#13, PSC DR1#6, and PSC DR1#31. The project is in final design and the level of detail for both the Pool 3 Treatment Plant and the Louisville Pipeline is not available to provide the information in the detail requested in this question. The Company utilized the estimates of project costs and O&M expenses provided in the Study by Gannett Fleming dated March 2007, and the Company's currently authorized cost of capital, depreciation rates and revenue conversion factors to develop the estimates of the costs and rate impact for both the Pool 3 Project and the Louisville Pipeline projects provided in the response to CAWS question 13 and PSC question 31. The Company believes those estimates are accurate based on the information available and provide a reasonable estimate of the impact of each project.

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Item 6 of 10

Witness: Michael Miller

6. Using the same financial areas listed in Item 5, state the effect upon Kentucky-American's financial operations if the proposed project is approved and placed in construction. Assume that all facilities have been operational for one year.

Response:

Please see the response to question 5 of this set of discovery requests.

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Item 7 of 10

Witness: **Linda C. Bridwell/Richard C. Svindland**

7. Refer to Kentucky-American's Response to Commission Staff's First of Interrogatories and Requests for Production of Documents, Item 10c.
- a. State whether Kentucky-American intends to apply for a certificate of public convenience and necessity to construct any of the identified improvements. If yes, identify the improvements for which a certificate will be sought.
 - b. Describe how each of the 3 improvements are being budgeted and financed.
 - c. State whether these 3 improvements would be required if Kentucky-American purchased water from Louisville Water Company in lieu of constructing the proposed water treatment plant.

Response:

- a. No, for the work proposed along New Circle Road estimated at \$410,000, along Citation Boulevard estimated at \$115,000, and the current work along Newtown Pike. If the additional work along Newtown Pike does not coincide with Kentucky Transportation Cabinet improvements, then yes, KAW would likely apply for a Certificate of Public Convenience and Necessity to construct.
- b. All three would be budgeted in KAW's five-year plan and financed as typical construction projects.
- c. It would depend on the connection point of a transmission line from Louisville Water Company to KAW's distribution system. The New Circle Road and Citation Boulevard projects need to be completed under any situation, as they represent current hydraulic bottlenecks in moving water around the distribution system.

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Item 8 of 10

Witness: Richard C. Svindland

8. Refer to Kentucky-American's Response to Commission Staff's First of Interrogatories and Requests for Production of Documents, Items 15 and 33.
- a. State the width of the road that Kentucky-American will use to transport dewatered solids from the proposed water treatment plant to optioned land on the Cartwright property.
 - b. Describe the easements and other rights-of-ways that Kentucky-American would need to acquire to construct a road that connects the proposed water treatment plant directly to the sludge disposal area and bypasses all public roads. State the cost of constructing such road, including the purchase of any easements or other right-of-ways.

Response:

- a. The road widths that Kentucky-American will use to transport dewatered solids from the proposed water treatment plant to optioned land on the Cartwright property vary. US 127 has two 12 foot wide paved lanes and two 10 foot wide paved shoulders and is approximately 44 feet wide. Swallowfield Road has two paved lanes and is approximately 22 feet wide. McDonalds Ferry Road is paved and approximately 17 feet wide but has sections where the width may be as low as 12 feet. After McDonalds Ferry Road, the roads are across private easements and access easements. The width of these gravel sections is generally 12 feet.
- b. No easements would be needed for KAW to directly access the dewatered solids disposal area as long as the access road is located on the side slope of the Kentucky River within property already optioned from the Sandlins and Cartwrights. The estimated cost to build a 12 foot wide paved road suitable for truck traffic in the referenced location is approximately \$1.4 million. This number is difficult to accurately assess at this time because the soils and the extent of stabilization needed to protect the road are not fully known.

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Item 9 of 10

Witness: Richard C. Svindland

9. Refer to Kentucky-American's Response to Commission Staff's First of Interrogatories and Requests for Production of Documents, Items 9, 13, and 33.
- a. Describe the improvements to the Cartwright Trust area are necessary to permit its use as a "solids beneficial reuse area." State the total cost of such improvements.
 - b. Describe all government permits and approvals required to enable Kentucky-American to use the Cartwright Trust area as a "solids beneficial reuse area."

Response:

- a. The improvements needed for the solids beneficial reuse area are expected to be minimal and include the installation of sediment control trap, access road and other related soil and erosion control measures. The expected cost is \$200,000.
- b. Based on past experience at our two other water treatment plants and our current knowledge, the only government permit needed is a Registered Permit-By-Rule For Beneficial Reuse Of Special Waste (form 7059F) from the Kentucky Division of Waste Management.

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Item 10 of 10

Witness: Linda C. Bridwell

10. Refer to Kentucky-American's Response to Commission Staff's First of Interrogatories and Requests for Production of Documents, Item 12(d).
- a. Provide all correspondence that Kentucky-American has received and submitted to the Franklin County Planning Commission.
 - b. Provide all documents related to the Franklin County Planning Commission's concurrence with Kentucky-American's proposed plans.
 - c. State whether, assuming the proposed project was not exempt from the Franklin County Planning Commission's jurisdiction, the proposed improvements and facilities that Kentucky-American intends to located in Franklin County would comply with the Planning Commission's regulations and standards. Explain.

Response:

- a. Please refer to the attached correspondence.
- b. Please refer to the response to Item a of this same data request.
- c. Kentucky American Water under Kentucky Revised Statute 100.324 is exempt; however, if not, KAW would comply with the Planning Commission's regulations and standards. KAW has not completed an analysis to determine if they currently comply.



"Carnish, Matthew J."
<mcarnish@GFNET.com>
m>

02/15/2007 07:10 AM

To: <rcsvin@kawc.com>
cc: "Raffensperger, Jeffrey L." <jraffensperger@GFNET.com>, "Wood, Samuel F." <swood@GFNET.com>
Subject: FW: Kentucky American Water Pool 3 WTP - Planning & Zoning for the Raw Water Pump Station within Franklin County

Rich

I received this E-mail from Mr. Hewitt from Franklin County. I assume the information that he is referencing is from a formal letter request for the project being exempt from local permitting with the Planning Commission from either you or your attorney rather than the info I supplied him with the Jan 14, 2007 e-mail below.

Matt

-----Original Message-----

From: Robert Hewitt [mailto:rhewitt@dcr.net]

Sent: Wednesday, February 14, 2007 2:34 PM

To: Carnish, Matthew J.

Subject: RE: Kentucky American Water Pool 3 WTP - Planning & Zoning for the Raw Water Pump Station within Franklin County

Thank you for the information. I will provide a copy of your letter to the Planning Commission's attorney.

-----Original Message-----

From: Carnish, Matthew J. [mailto:mcarnish@GFNET.com]

Sent: Sunday, January 14, 2007 11:39 AM

To: rhewitt@dcr.net

Cc: Wood, Samuel F.

Subject: Kentucky American Water Pool 3 WTP - Planning & Zoning for the Raw Water Pump Station within Franklin County

Mr. Hewitt

I understand that our San Wood of Gannett Fleming, Inc. has been in recent contact with you to advise you of the upcoming Kentucky American Water Pool 3 Water Treatment Plant Project. Gannett Fleming, Inc. is the Design Engineer for Kentucky American Water for this project. The majority of the water treatment plant project is located in Owen County, however, a portion of the project is also located in Franklin County, i.e. the Kentucky River Intake and Raw Water Pumping Station. Sam advised me from your discussions that you identified that the Franklin County portion of the project must secure Zoning and Subdivision/Land Development Plan Approvals.

Kentucky American Water is a private company and a utility regulated by the Public Service Commission. Per statute (KRS 100.324) as attached, Kentucky American Water is exempt from local planning and zoning for facilities needed to provide service including tanks, pump stations, treatment plants without office buildings. The Raw Water Pumping Station (being sited in Franklin County) is a pump station structure with no offices, and accordingly exempt from local planning and zoning.

Although exempt from local planning and zoning, Kentucky American Water's general practice is to give local planning boards an opportunity to comment on the water facilities being constructed. On behalf of Kentucky American Water, we will submit complimentary copies of the design documents to Franklin County for your comments as we proceed with the project.

Please advise if you concur with Kentucky American Water's position. Should you wish to discuss this in more detail, please do not hesitate to contact me at (717) 763-7211 Ext. 2534 or mcarnish@gfnet.com.

Matthew J. Carnish, P.E.
Senior Project Manager
Gannett Fleming, Inc.



"Carnish, Matthew J."
<mcarnish@GFNET.com>
m>

01/11/2007 09:35 AM

To: <rcsvin@kawc.com>

cc: "Raffensperger, Jeffrey L." <jraffensperger@GFNET.com>, "Wood, Samuel F." <swood@GFNET.com>, "Kappen, Lori L." <lkappen@gfnet.com>

Subject: KAW Pool 3 WTP

Rich

GF has made various inquiries related to local permit requirements.

We have been in contact with Robert Hewitt (502.875.8701 or e-mail rhewitt@dcr.net), Planning Director, of Franklin County, KY related to construction activities associated with the Intakes and Raw Water Pump Station. Mr. Hewitt noted Franklin County requires a Subdivision/Development Plan and has Zoning and Building Permit requirements and associated fees for that part of the project located in Franklin County. Mr. Hewitt indicated as AW is a private company (not a municipality) and they are not exempt from these requirements. Mr. Hewitt noted they would be looking for plans to be submitted that would be reviewed for compliance with zoning and land development ordinance requirements. Mr. Hewitt advised that the County also uses the ordinances on the City of Frankfort website. Mr. Hewitt suggested before we get started to have a conference call or meeting with him to go over how they want the land development drawings prepared.

Related to Owen County and the WTP portion of the project, we spoke with Judge Billy O'Banion of Owen County and he confirmed Owen County does not have zoning, land development or storm water ordinances/requirements. Owen County requires a building permit and they have a building inspector official.

GF did not include any budget or schedule in our proposal related to Zoning and Land Development Planning work in Franklin County. In light of the above Franklin County requirements and their comments about AW not being exempt from Zoning and Land Development Planning, how do you want GF to proceed?

Matt Carnish

Richard C Svindland
01/11/2007 02:40 PM

To: "Raffensperger, Jeffrey L." <jraffensperger@GFNET.com>@AWX
cc: "Carnish, Matthew J." <mcarnish@GFNET.com>
Subject: RE: KAW Pool 3 WTP - Planning & Zoning

Yes, please site and quote statute as needed. For the most part Franklin county does not have a lot of experience in dealing with investor-owned utilities since Frankfort Plant Board and the City provide most of the services. It is very likely that they've not run into this before.

Richard C. Svindland, P.E.*
Engineering Manager - Technical Services
American Water SE Region
800 W. Hershey Park Dr.
Hershey, PA 17033
717 531 3231 - Office
717 531 3282 - Fax
*Licensed in Georgia & Kentucky
"Raffensperger, Jeffrey L." <jraffensperger@GFNET.com>



"Raffensperger, Jeffrey
L."
<jraffensperger@GFNET.com>

To: <rcsvin@kawc.com>, "Carnish, Matthew J." <mcarnish@GFNET.com>
cc:
Subject: RE: KAW Pool 3 WTP - Planning & Zoning

01/11/2007 02:22 PM

Rich,
Can we site and quote the statute when responding to Mr. Hewitt? If so Matt will make contact to quote the statute and see where it heads. We will involve you only if we get a negative reaction.

Matt,
Please make sure that we tell Mr. Hewitt that we will submit complimentary copies of the documents for comments as we proceed with the project.

Jeff

-----Original Message-----

From: rcsvin@kawc.com [mailto:rcsvin@kawc.com]
Sent: Thursday, January 11, 2007 12:56 PM
To: Carnish, Matthew J.; Raffensperger, Jeffrey L.
Subject: Fw: KAW Pool 3 WTP - Planning & Zoning

Matt,

Below is concurrence from counsel concerning the sited statute (KRS 100.324). What do you think is best? I think you guys should make the initial call and see how that goes. I can get involved if needed.

Richard C. Svindland, P.E.*
Engineering Manager - Technical Services American Water SE Region 800
W. Hershey Park Dr.
Hershey, PA 17033
717 531 3231 - Office
717 531 3282 - Fax
*Licensed in Georgia & Kentucky

----- Forwarded by Richard C Svindland/KAWC/AWWSC on 01/11/2007 12:51 PM

"Ingram III,
Lindsey" To: <rcsvin@kawc.com>
<L.Ingram@skofirm
Lindsey" <Lindsey.Ingram@skofirm.com> cc: "Ingram, Jr.,
.com> Subject: FW: KAW Pool 3
WTP - Planning & Zoning

01/11/2007 12:40

PM

Rich:

You have cited the applicable statute. Nice work.

Lindsey W. Ingram III
Stoll Keenon Ogden PLLC
300 W. Vine St.
Suite 2100
Lexington, KY 40507
859-231-3982 (direct dial)
859-246-3672 (direct fax)
L.ingram@skofirm.com

-----Original Message-----

From: rcsvin@kawc.com [mailto:rcsvin@kawc.com]
Sent: Thursday, January 11, 2007 11:43 AM
To: mcarnish@GFNET.com; Ingram III, Lindsey
Cc: Raffensperger, Jeffrey L.; Kappen, Lori L.; Wood, Samuel F.
Subject: Re: KAW Pool 3 WTP - Planning & Zoning

Matt,

AW is a private company, but as a utility regulated by the Public Service Commission we are exempt for local planning and zoning for facilities needed to provide service. (i.e, tanks, pump stations, treatment plants are exempt, while an office building may not be). Seeing how our only Franklin County structure is a pump station with no office, we should clearly be exempt. Since the plant is in Owen Co. there are not issues there.

I'll have our corporate attorney furnish / verify the applicable statute.

We have used this in the past so there is precedence, most recently the 2 MG elevated tank in Lexington.

We do, generally like to give the local planning board an opportunity to comment on what we are doing, but we are not obligated to perform any of their requirements.

For now, let's hold off in contacting Franklin County, until I can site statute and then you/we can call Mr. Hewitt and let him know.

By copy of this e-mail, Lindsey III can you provide the applicable statute, I attached KRS 100.324 but don't know if there is another statute or rule that applies.

(See attached file: KRS100.324.pdf)

Richard C. Svindland, P.E.*
Engineering Manager - Technical Services American Water SE Region 800
W. Hershey Park Dr.
Hershey, PA 17033
717 531 3231 - Office
717 531 3282 - Fax
*Licensed in Georgia & Kentucky

"Carnish, Matthew

J."

To:

<rcsvin@kawc.com>

<mcarnish@GFNET.c

cc: "Raffensperger,

Jeffrey L." <jraffensperger@GFNET.com>, "Wood, Samuel F."

<swood@GFNET.com>,

"Kappen, Lori L." <lkappen@gfnet.com>

Subject: KAW Pool 3 WTP

01/11/2007 09:35

AM

Rich

GF has made various inquiries related to local permit requirements.

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Hewitt noted they would be looking for plans to be submitted that would be reviewed for compliance with zoning and land development ordinance requirements. Mr. Hewitt advised that the County also uses the ordinances on the City of Frankfort website. Mr. Hewitt suggested before we get started to have a conference call or meeting with him to go over how they want the land development drawings prepared.

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Matt Carnish

(See attached file: KRS100.324.pdf)

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100.324 Public utility facilities excepted -- Review of proposed acquisition, disposition, or change by commission.

- (1) All other provisions of this chapter to the contrary notwithstanding, public utilities operating under the jurisdiction of the Public Service Commission, except as specified in KRS 100.987, or the Department of Vehicle Regulation or Federal Energy Regulatory Commission, any municipally owned electric system, and common carriers by rail shall not be required to receive the approval of the planning unit for the location or relocation of any of their service facilities. Service facilities include all facilities of such utilities and common carriers by rail other than office space, garage space, and warehouse space and include office space, garage space, and warehouse space when such space is incidental to a service facility. The Public Service Commission and the Department of Vehicle Regulation shall give notice to the planning commission of any planning unit of any hearing which affects locations or relocations of service facilities within that planning unit's jurisdiction.
- (2) The nonservice facilities excluded in subsection (1) of this section must be in accordance with the zoning regulations.
- (3) Upon the request of the planning commission, the public utilities referred to in this section shall provide the planning commission of the planning unit affected with information concerning service facilities which have been located on and relocated on private property.
- (4) Any proposal for acquisition or disposition of land for public facilities, or changes in the character, location, or extent of structures or land for public facilities, excluding state and federal highways and public utilities and common carriers by rail mentioned in this section, shall be referred to the commission to be reviewed in light of its agreement with the comprehensive plan, and the commission shall, within sixty (60) days from the date of its receipt, review the project and advise the referring body whether the project is in accordance with the comprehensive plan. If it disapproves of the project, it shall state the reasons for disapproval in writing and make suggestions for changes which will, in its opinion, better accomplish the objectives of the comprehensive plan. No permit required for construction or occupancy of such public facilities shall be issued until the expiration of the sixty (60) day period or until the planning commission issues its report, whichever occurs first.

Effective: April 23, 2002

History: Amended 2002 Ky. Acts ch. 89, sec. 3, effective July 15, 2002; ch. 343, sec. 1, effective April 23, 2002; and ch. 346, sec. 151, effective July 15, 2002. -- Amended 1998 Ky. Acts ch. 231, sec. 3, effective July 15, 1998. -- Amended 1996 Ky. Acts ch. 383, sec. 1, effective July 15, 1996. -- Amended 1988 Ky. Acts ch. 144, sec. 7, effective July 15, 1988. -- Amended 1984 Ky. Acts ch. 304, sec. 1, effective July 13, 1984. -- Created 1966 Ky. Acts ch. 172, sec. 80.

Legislative Research Commission Note (4/23/2002). This section was amended by 2002 Ky. Acts ch. 89, sec. 3, ch. 343, sec. 1, and ch. 346, sec. 151. Chs. 89 and 343 are not in conflict and have been codified together. Chs. 343 and 346 appear to be in conflict, and where a conflict exists, the substantive changes in ch. 343 have been allowed to prevail over the revisory changes in ch. 346. Cf. KRS 7.123.

**COMMONWEALTH OF KENTUCKY
NATURAL RESOURCES & ENVIRONMENTAL PROTECTION CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER**

**APPLICATION FOR PERMIT TO CONSTRUCT ACROSS OR ALONG A STREAM
AND / OR WATER QUALITY CERTIFICATION**

Chapter 151 of the Kentucky Revised Statutes requires approval from the Division of Water prior to any construction or other activity in or along a stream that could in any way obstruct flood flows or adversely impact water quality. If the project involves work in a stream, such as bank stabilization, dredging or relocation, you will also need to obtain a 401 Water Quality Certification (WQC) from the Division of Water. This completed form will be forwarded to the Water Quality Branch for WQC processing. The project may not start until all necessary approvals are received from the KDOW. For questions concerning the WQC process, contact the WQC section at 502/564-3410.

If the project will disturb more than 1 acre of soil, you will also need to complete the attached Notice of Intent for Storm Water Discharges, and return both forms to the Floodplain management Section of the KDOW. This general permit will require you to create an implement an erosion control plan for the project.

1. **OWNER: KENTUCKY AMERICAN WATER COMPANY ATTN. LINDA C. BRIDWELL, PE**
Give name of person(s), company, governmental unit, or other owner of proposed project.
MAILING ADDRESS: 2300 RICHMOND ROAD, LEXINGTON, KENTUCKY 40502
TELEPHONE #: (859) 268-6373 **EMAIL: bridwell@kawc.com**
2. **AGENT: GENE C. KOONTZ, P.E.**
Give name of person(s) submitting application, if other than owner.
ADDRESS: GANNETT FLEMING, INC. P.O. BOX 67100, HARRISBURG, PA 17106-7100
TELEPHONE #: (717) 763-7212, EXT 2548 **EMAIL: gkoontz@gfnet.com**
3. **ENGINEER: GENE C. KOONTZ, P.E.** **KENTUCKY P.E. NUMBER: 20483**
Contact Division of Water if waiver can be granted.
TELEPHONE #: (717) 763-7212, EXT 2548 **EMAIL: gkoontz@gfnet.com**
4. **DESCRIPTION OF CONSTRUCTION: CONSTRUCTION OF THE PROPOSED INTAKE AND TRANSMISSION MAIN WILL TEMPORARILY IMPACT 8 WETLANDS (31,000FT² OR 0.710 ACRES) AND 49 STREAMS (2,400 LINEAR FEET/31,300FT² OR 0.717 ACRES). CONSTRUCTION OF THE INTAKE SCREENS WILL RESULT IN 150FT² OR 0.003 ACRES OF PERMANENT IMPACTS TO THE KENTUCKY RIVER AND WILL REQUIRE APPROXIMATELY 80 CUBIC YARDS (CY) OF FILL. DREDGED AND/OR FILL MATERIALS WILL BE DISCHARGED INTO WETLANDS AND STREAMS ALONG THE TRANSMISSION MAIN ALIGNMENT. FILL MATERIAL WILL INCLUDE SOIL AND ROCK USED FOR ROCK ARMORING, EROSION CONTROL, STREAMBANK STABILIZATION AND TEMPORARY STREAM DIVERSIONS RESULTING IN TEMPORARY IMPACTS DURING INSTALLATION OF THE TRANSMISSION MAIN. SEE CHAPTER 2 PROJECT SITE PLANS, INCLUDING INTAKE, PUMP STATIONS, TREATMENT PLANT AND TRANSMISSION MAIN LOCATIONS AND IMPACTS TO WATERS OF THE U.S.**
5. **COUNTY: FAYETTE, FRANKLIN, OWEN AND SCOTT**
NEAREST COMMUNITY: SWALLOWFIELD AT WESTERN LIMIT & GEORGETOWN AT EASTERN LIMIT
6. **USGS QUAD NAMES: SWITZER, STAMPING GROUND, FRANKFORT EAST, MIDWAY, GEORGETOWN AND CENTERVILLE**
LATITUDE/LONGITUDE: THE WESTERN END OF THE PROJECT IS LOCATED IN THE KENTUCKY RIVER ON THE FRANKLIN/OWEN COUNTY LINE AT 38°21'22" LATITUDE AND 84°52'12" LONGITUDE. THE EASTERN END OF THE PROJECT IS LOCATED NORTH OF LEXINGTON NEAR THE INTERSECTION OF S.R. 1973 AND U.S. 922 IN FAYETTE COUNTY AT 38°07'55" LATITUDE AND 84°29'13" LONGITUDE. ALSO SEE FIGURE 1: PROJECT LOCATION MAP.
7. **STREAM NAME: THE PROPOSED INTAKE STRUCTURE IS LOCATED WITHIN THE KENTUCKY RIVER. ADDITIONAL NAMED WATERWAYS CROSSED BY THE PROPOSED PIPELINE PROJECT INCLUDE NORTH ELKHORN CREEK, ROCKY BRANCH, MORGADORE CREEK, LONG BRANCH, CAMP PLEASANT BRANCH, SULPHUR LICK CREEK, BUCK RUN AND CANE RUN. IN ADDITION TO THESE NAMED WATERWAYS, THE PROPOSED PIPELINE WILL CROSS FIFTEEN EPHEMERAL WATERWAYS, TWO INTERMITTENT WATERWAYS AND TWENTY UNNAMED PERENNIAL WATERWAYS. WITH THE EXCEPTION OF THE CONSTRUCTION OF THE INTAKE SCREEN IN THE KENTUCKY RIVER, ALL STREAM IMPACTS ASSOCIATED WITH THE CONSTRUCTION OF THE PROPOSED PIPELINE ARE TEMPORARY.**
WATERSHED SIZE (in acres): REFER TO PLANS. ALTHOUGH THE PROJECT AREA IS LOCATED WITHIN THE KENTUCKY RIVER WATERSHED, THE 30-MILE LINEAR PROJECT STUDY AREA CROSSES THE WATERSHEDS OF NINE NAMED STREAMS (NORTH ELKHORN CREEK, ROCKY BRANCH, MORGADORE CREEK, LONG BRANCH, CAMP PLEASANT BRANCH, SULPHUR LICK CREEK, BUCK RUN AND CANE RUN), FIFTEEN EPHEMERAL STREAMS, ONE UNNAMED INTERMITTENT STREAM AND TWENTY UNNAMED PERENNIAL STREAMS.

8. **LINEAR FEET OF STREAM IMPACTED: REFER TO PLANS. IMPACTS TO STREAMS WILL BE LESS THAN TWO TIMES THE BANKFUL WIDTH WHERE POSSIBLE.**
9. **DIRECTIONS TO SITE: FROM LOUISVILLE, TRAVEL EAST ON I-64 TO EXIT 53 AT FRANKFORT. AT EXIT 53, TAKE US-127 NORTH THROUGH SWALLOWFIELD. FROM SWALLOWFIELD, TRAVEL NORTH ON US-127 ACROSS THE OWEN COUNTY LINE. THE NORTHERN LIMIT OF THE PROJECT AREA IS LOCATED APPROXIMATELY 500 FEET NORTH OF THE OWEN COUNTY LINE.**
10. **IS ANY PORTION OF THE REQUESTED PROJECT NOW COMPLETE?** Yes ☒ No If yes, identify the completed portion on the drawings you submit and indicate the date activity was completed. DATE: _____
11. **ESTIMATED BEGIN CONSTRUCTION DATE: NOVEMBER 15, 2007**
12. **ESTIMATED END CONSTRUCTION DATE: APRIL 10, 2010 (IN SERVICE); OCTOBER 10, 2010 (FINAL)**
13. **HAS A PERMIT BEEN RECEIVED FROM THE US ARMY, CORPS of ENGINEERS?** Yes ☒ No If yes, attach a copy of that permit.
14. **THE APPLICANT *MUST* ADDRESS PUBLIC NOTICE:**
(a) **PUBLIC NOTICE HAS BEEN GIVEN FOR THIS PROPOSAL BY THE FOLLOWING MEANS:**
☒ Public notice in newspaper having greatest circulation in area (provide newspaper clipping or affidavit)
_____ Adjacent property owner(s) affidavits (Contact Division of Water for requirements.)
(b) _____ I REQUEST WAIVER OF PUBLIC NOTICE BECAUSE:

Contact Division of Water for requirements.
15. **I HAVE CONTACTED THE FOLLOWING CITY OR COUNTY OFFICIALS CONCERNING THIS PROJECT:**
SEE ATTACHED LIST Give name and title of person(s) contacted and provide copy of any approval city or county may have issued.
16. **LIST OF ATTACHMENTS:** List plans, profiles, or other drawings and data submitted. Attach a copy of a 7.5 minute USGS topo map clearly showing the project location.
CHAPTER 1: FIGURE 1: PROJECT LOCATION MAP: 1 INCH = 5 MILES
CHAPTER 2: INTAKE, PUMP STATION AND TREATMENT PLANT SITE PLANS: 1 INCH = 100 FEET
CHAPTER 2: TRANSMISSION MAIN SITE PLANS: 1 INCH = 400 FEET
CHAPTER 4: EXHIBIT 1 - STUDY AREA LOCATION MAP: 1 INCH = 3,000 FEET (USGS TOPO MAP)
17. I, LINDA BRIDWELL (owner) CERTIFY THAT THE OWNER OWNS OR HAS EASEMENT RIGHTS ON ALL PROPERTY ON WHICH THIS PROJECT WILL BE LOCATED OR ON WHICH RELATED CONSTRUCTION WILL OCCUR (for dams, this includes the area that would be impounded during the design flood).
18. **REMARKS: THE OPTION TO PURCHASE AGREEMENTS FOR THE INTAKE/PUMP STATION SITE, WATER TREATMENT PLANT SITE AND THE BOOSTER PUMP STATION SITE ARE ATTACHED.**

I hereby request approval for construction across or along a stream as described in this application and any accompanying documents. To the best of my knowledge, all the information provided is true and correct.

SIGNATURE: Linda Bridwell
Owner or Agent sign here. (If signed by Agent, a Power of Attorney should be attached.)

DATE: 3/16/07

SIGNATURE OF LOCAL FLOODPLAIN COORDINATOR:

James L. Burger
Permit application will be returned to applicant if not properly endorsed by the local floodplain coordinator.

DATE: 3/19/07

SUBMIT APPLICATION AND ATTACHMENTS TO:
Floodplain Management Section
Division of Water
14 Reilly Road
Frankfort, KY 40601