

Commonwealth of Kentucky
Before the Public Service Commission

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PUBLIC SERVICE
COMMISSION

In the Matter of:

THE APPLICATION OF KENTUCKY-AMERICAN)
WATER COMPANY FOR A CERTIFICATE OF) Case No. 2007-00134
CONVENIENCE AND NECESSITY AUTHORIZING)
THE CONSTRUCTION OF KENTUCKY RIVER)
STATION II, ASSOCIATED FACILITIES AND)
TRANSMISSION MAIN)

ATTORNEY GENERAL'S
REQUEST FOR INFORMATION TO
LOUISVILLE WATER COMPANY

The Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, submits this Request for Information to the Louisville Water Company.

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the company witness who will be prepared to answer questions concerning each request.

(3) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(4) If any request appears confusing, please request clarification directly from the Office of Attorney General.

(5) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(6) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

(7) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(8) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(9) In the event any document called for has been destroyed or transferred beyond the control of the company state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer;

and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

Respectfully submitted,

GREGORY D. STUMBO
ATTORNEY GENERAL



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Notice of Filing and Certificate of Service

Counsel gives notice that the original and ten photocopies of the Attorney General's Request for Information to Louisville Water Company were filed by hand delivery to Beth O'Donnell, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601. Counsel also certifies service of this document by mailing a true and correct photocopy of the same, first class postage prepaid, to the parties of record. Filing and service took place this 13th day of August, 2007. (He also notes transmission of an electronic version of this document (in Word) to Counsel for Louisville Water Company.)

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Assistant Attorney General

Attorney General's Request for Information to LWC

1. Re: Heitzman testimony, p. 3, lines 9-15. According to the testimony, the PowerPoint presentation on July 10, 2007, was made to Lexington Fayette Urban City Council. Concerning this presentation:
 - a) Within the past 12 months, has Louisville Water Company made a similar presentation concerning the provision of wholesale water to KAWC to any other entity? If so, please provide a copy of each such presentation.
 - b) Within the past 12 months, has Louisville Water Company made a formal proposal to KAWC to supply KAWC with a firm wholesale water supply? If so, please provide a copy of all documents that represent the proposal made to KAWC. If not, please explain why not.
 - c) Does Louisville Water Company believe that Lexington Fayette Urban City Council has the ability and/or legal authority to enter into a wholesale water supply contract with Louisville Water Company? If so, please explain in detail. If not, why did Louisville Water Company make a presentation to the Council on July 10, 2007?

2. Please state with precision all terms and conditions under which Louisville Water Company would sell a firm wholesale water supply to KAWC.
3. Please provide all documents in Louisville Water Company's possession that show the proposed route for a pipeline through which Louisville Water Company would provide KAWC with a firm wholesale supply of water.
4. Please provide a list of all permits that would be required for Louisville Water Company to provide KAWC with a firm wholesale supply of water using the pipeline route provided in response to the previous question. For each such permit, please state the following:
 - a) The agency from which the permit must be obtained;
 - b) The approximate amount of time it takes to obtain the permit, measured from the date of application for the permit;
 - c) Whether Louisville Water Company has obtained the permit;
 - d) If not, the date on which Louisville Water Company applied for, or will apply for, the permit; and
 - e) The date on which Louisville Water Company anticipates obtaining the permit.

5. Re: Heitzman testimony, p. 5, lines 1-2. Please provide all documents forming the basis for the witness's opinion that "this alternative proposal will result in lower water rates than those that will result from the proposed Kentucky River Station II construction." The documents provided should include all assumptions made concerning the cost and level of operations of both KAWC's Kentucky River Station II and Louisville Water Company's facilities.
6. Re: Heitzman testimony, p. 5, lines 10-11. Please define what the witness means by the "Bluegrass Region." If this encompasses more than KAWC's existing service area, please describe the entire service area referred to by the witness.
7. Re: Heitzman testimony, p. 5, lines 13-14. Concerning this statement, please provide:
 - a) All documents forming the basis for the witness's opinion that his proposal would involve "less cost to end-user customers" than KAWC's proposal;
 - b) All documents forming the basis for the witness's opinion that his proposal would involve "less environmental impact" than KAWC's proposal; and

- c) What does the witness mean when he states that his proposal would involve a “more permanent solution” than KAWC’s proposal?
8. Is Louisville Water Company recommending that the Public Service Commission deny KAWC’s application for a certificate? If so, please state the specific facts on which Louisville Water Company believes the Commission should rely in making that determination. If not, then what action does Louisville Water Company recommend the Commission should take in this case?
9. Please provide a copy of the following presentation listed on Mr. Heitzman’s vitae: “Regional Water Planning in Kentucky,” co-authored with Roger Rectenwald, June 2002, American Water Works Association, Denver, CO.”
10. In a January 4, 2005, article in the Louisville Courier-Journal concerning Louisville Water Company’s extension of water service in Jefferson County, the following statement appears about the source of funds for the line extensions: “Most of the rest comes from a \$5,450 fee assessed to each property owner, said Greg Heitzman, the water company's vice president and chief engineer. A \$700 fee assessed to builders in the extension area for each new water meter has provided \$6.3 million more.” Concerning this:

- a) Did Mr. Heitzman include the \$5,450 connection fee in his analysis of the relative costs paid by customers of Louisville Water Company and customers of KAWC? If not, please provide an updated calculation showing the true cost paid by Louisville Water Company customers.

- b) Does Louisville Water Company offer to allow customers to pay the connection fee over time? If so, what is the customer's monthly payment; over how long do these payments have to be made; and what interest rate does Louisville Water Company charge the customer?

- c) Did Mr. Heitzman include the \$700 meter fee in his analysis of the relative costs paid by customers of Louisville Water Company and customers of KAWC? If not, please provide an updated calculation showing the true cost paid by Louisville Water Company customers.

- d) Will customers of KAWC served by water from Louisville Water Company be expected to pay similar types of fees to Louisville Water Company and/or KAWC? If so, please provide an estimate of such fees. If not, please explain why not.

11. RE: Board of Water Works Meeting materials, 26 August 2003, (Strategy III, pages 22 and 23). With regard to LWC's strategy to increase water revenue by selling more water, please answer the following:
 - a) Please provide a definition of the "regional retail" market.
 - b) Please provide a definition of the regional "wholesale" market.
 - c) Please describe the construction projects associated with the "backbone transmission system to provide capacity to serve" the regional market and also supply (i) the corresponding project number and project name for each, (ii) the project cost for each, and (iii) the status of each project.
 - d) Please describe the steps necessary to "improve O&M system efficiencies and capabilities for serving an expanded regional service area." Also supply (i) the corresponding project number and project name for each of these steps, (ii) the project cost for each, and (iii) the status of each project.

12. RE: Board of Water Works Meeting materials for 8 June 1999, please supply a copy of all documents and materials (including any minutes) for the closed session on Regional Water Supply Issues.

13. Please identify all individuals and entities (e.g. engineering firms, law firms, etc.) that have provided or are providing consulting services to the Louisville Water Company for any proposal or proposals to supply water service to central Kentucky. For each individual or entity, please provide (i) the date the individual or entity was retained (the starting date for the provision of service or representation) and, if applicable, (ii) the date the provision of service terminated (the ending date).