



Mayor Jim Newberry

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
Department of Law

October 12, 2007

RECEIVED
OCT 15 2007
PUBLIC SERVICE
COMMISSION

Ms. Beth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

Re: Case No. 2007-00134
(Application of Kentucky-American Water Company, Inc.)

Dear Ms. O'Donnell:

Please find enclosed herewith for filing in the referenced matter an original and 8 copies each of the Lexington-Fayette Urban County Government's Requests for Information related to the rebuttal testimony of the Louisville Water Company, and its Response to Kentucky-American's Motion to Compel. Please contact me should you have any questions pertaining to the same.

Yours truly,

David J. Barberie
Corporate Counsel

ENC

00141009

H O R S E C A P I T A L O F T H E W O R L D

**P. O. Box 34028 Lexington, KY 40588-4028 (859) 258-3500 Fax: (859)258-3538 www.lfucg.com

**Please note new mailing address

water back

RECEIVED
OCT 15 2007
PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

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

**LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT'S RESPONSE TO MOTION TO COMPEL**

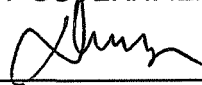
Comes now the Lexington-Fayette Urban County Government (the "LFUCG"), by counsel and submits this Response to Kentucky-American Water Company's Motion to Compel Adequate Discovery Responses from Louisville Water Company.

The LFUCG agrees with Kentucky-American Water Company that Louisville Water Company ("LWC") has failed to adequately respond to the discovery as further indicated in the motion, and concurs that the timely provision of this information is necessary for the parties to this case and the Commission to properly evaluate LWC's proposal. The LFUCG also agrees that the procedural schedule in this case should not be further extended. The LFUCG believes that any penalty or sanction to be levied against LWC is solely within the discretion of the Commission to determine.

WHEREFORE, the Lexington-Fayette Urban County Government joins in the motion to the extent indicated above, and respectfully requests that the Commission order the Louisville Water Company to timely provide the requested information.

Respectfully submitted,

LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT

BY:  _____

David J. Barberie
dbarberi@lfucg.com
Attorney Senior
Leslye M. Bowman
Director of Litigation
Department of Law
P.O. Box 34028
Lexington, Kentucky 40588-4028
(859) 258-3500
ATTORNEYS FOR LEXINGTON-FAYETTE
URBAN COUNTY

CERTIFICATE OF SERVICE

I hereby certify that an original and eight (8) copies of this document was served by first class U.S. Mail delivery, postage prepaid, to Beth O'Donnell, Executive Director, Public Service Commission, P.O. Box 615, 211 Sower Boulevard, Frankfort, Kentucky 40602-0615; furthermore, it was served by mailing a copy by first class U.S. Mail delivery, postage prepaid, on the following, all on this the 12th day of October 2007:

Lindsey W. Ingram, Jr., Esq.
and Lindsey W. Ingram, III, Esq.
Stoll Keenon Ogden PLLC
300 West Vine Street
Suite 2100
Lexington, Kentucky 40507-1801

A.W. Turner, Jr., Esq.
Attorney at Law
Kentucky-American Water Company
2300 Richmond Road
Lexington, Kentucky 40502

Hon. Gerald Wuetcher
Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

Hon. David Edward Spenard
Hon. Dennis G. Howard II
Assistant Attorneys General
Office of the Attorney General
Utility & Rate Intervention Division
1024 Capital Center Drive
Suite 200
Frankfort, Kentucky 40601-8204

David F. Boehm, Esq.
Boehm, Kurtz & Lowry
36 East Seventh Street, Suite 2110
Cincinnati, Ohio 45202

Damon R. Talley, Esq.
P.O. Box 150
112 North Lincoln Boulevard
Hodgenville, Kentucky 42748

Thomas J. FitzGerald, Esq.
Counsel & Director
Kentucky Resources Council, Inc.
Post Office Box 1070
Frankfort, Kentucky 40602

Barbara K. Dickens, Esq.
Vice President and General Counsel
Louisville Water Company
550 South Third Street
Louisville, Kentucky 40202

John E. Selent, Esq.
Edward T. Depp, Esq.
Dinsmore & Shohl, LLP
1400 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202

Stephen Reeder
Robert Ware
Kentucky River Authority
70 Wilkinson Boulevard
Frankfort, Kentucky 40601



ATTORNEY FOR LEXINGTON-FAYETTE
URBAN COUNTY GOVERNMENT

DJB/00141008

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

OCT 15 2007

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

THE APPLICATION OF KENTUCKY-AMERICAN WATER)
COMPANY FOR A CERTIFICATE OF CONVENIENCE)
AND NECESSITY AUTHORIZING THE CONSTRUCTION)
OF KENTUCKY RIVER STATION II, ASSOCIATED)
FACILITIES AND TRANSMISSION MAIN)

CASE NO.
2007-00134

**LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT'S REQUESTS FOR INFORMATION**

Comes now the Lexington-Fayette Urban County Government (the "LFUCG"), by counsel and pursuant to the Public Service Commission's Scheduling Order and submits its Requests for Information related to the testimony of the Louisville Water Company's Rebuttal Testimony to be answered in accord with the following:

- (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 counsel for the LFUCG.

(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 that 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 counsel for the LFUCG 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.*

REQUESTS FOR INFORMATION

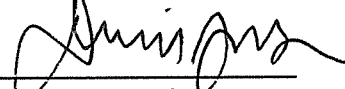
1. Please explain in detail the entire basis for the assertion that Section 1 of the proposal will be available for service by July 2010. (Heitzman, page 5).
2. Please explain in detail the entire basis for the assertion that Section 2 of the proposal will be completed by 2012. (Heitzman, page 6).
 - a. By what date in 2012 will this section be completed?
3. Has Louisville Water Company ("LWC") obtained the necessary permission, authority, or approvals to have Section 2 constructed adjacent, along, or within the Interstate 64 corridor? Please explain in detail and provide any and all related documents.
 - a. From what entities has LWC obtained any such permission, authority, or approvals?
 - b. From what entities will such permission, authority, or approvals be required?
 - c. If LWC has not obtained such, permission, authority, or approvals what is the estimated time for acquiring them?
 - d. If LWC has not yet obtained such permission, authority, or approvals, please explain in detail what steps, if any, that it has taken to do so, and provide any and all related documents.
 - e. If LWC has not yet obtained such permission, authority, or approvals, please explain in detail why LWC believes that it is more likely that they will be obtained today than it was during the original Louisville pipeline proposal (1998-99).
4. When will all necessary land rights for the entire proposal be obtained? Please provide a detailed explanation and any supporting documentation.
5. Please explain in detail how "providing up to 10 MGD to Frankfort on the west side of the Kentucky River" makes 6 MGD capacity available from its treatment plant (Heitzman, page 5).
 - a. To whom is this water made available, and how would it be transported to them?

6. With respect to reserve capacity (Heitzman, page 6), in what ways does LWC ensure that such capacity is available?
 - a. How much of such capacity would be available and guaranteed for use by Fayette County?
 - b. What happens in the event that there is an increased need by another customer?
 - c. How long would any related guarantees as to reserve capacity last?
7. How has the current drought affected the provision of water in any area currently supplied by LWC? Are there any voluntary or mandatory water restrictions in place? If so please explain in detail, including the types of restrictions, what governing body or entity has imposed the restrictions, and the basis for which the restrictions were imposed.
8. How would the proposed Central Kentucky customers be prioritized and/or treated in relation to LWC's other customers in the event of an emergency or other scenario under which LWC was unable to provide sufficient water to all of its customers?
9. Is LWC willing to commit to designing, building, owning and operating Section 2 of its proposal? If not, please explain in detail.
 - a. If the answer to the above is "yes", is LWC willing to commit that the cost that is ultimately passed through to Central Kentucky's customers will not exceed its estimated \$88.1 million project cost? If not, please explain in detail. If the answer to the above is "no", in what way(s), if any, is LWC willing to guarantee that its estimated project cost for Section 2 will not be exceeded?
 - b. Assuming LWC did design, build, own, and operate Section 2, what would be estimated wholesale rate that would apply to its Central Kentucky customers? Does this change if LWC does not operate Section 2?
10. Assuming LWC did design, build, own, and operate Section 2, would it be willing to later sell Section 2 to a public entity(s), the Bluegrass Water Supply Commission, and/or Kentucky-American Water Company, and what would be the anticipated purchase price above the cost of build? If the answer differs depending upon the purchaser, please explain why.

11. If Section 2 is not ultimately designed, built, owned, and operated by a “public” entity(s) or a public-private partnership, but is instead built, owned, and operated solely by Kentucky-American Water Company (“KAWC”), how much of an increase in the \$88.1M estimated project cost is anticipated? (assume that all other factors would be the same and utilizing the return on rate base used by Attorney General witness Scott Rubin).
12. What public and private entity(s) does LWC envision or anticipate designing, building, owning, and/or operating Section 2?
13. With respect to the proposed Shelby County and Franklin County pump stations please provide the following information and any and all related documents:
 - a. Date(s) that all necessary approvals will be obtained
 - b. Date that construction will commence.
 - c. Date construction will be completed.
14. With respect to the proposed Shelby County and Franklin County storage facilities please provide the following information and any and all related documents:
 - a. Date(s) that all necessary approvals will be obtained.
 - b. Date that construction will commence.
 - c. Date construction will be completed.
15. When will a detailed “final design” for a pipeline solution be conducted and completed?
16. When will a “water blending” analysis be conducted and completed?
17. When will a detailed “final design” to the transmission system to Fayette County be conducted and completed?
18. When will the necessary detailed hydraulic analyses be conducted and completed?
19. Please provide any and all related documents that support your answers to any of the above questions.

Respectfully submitted,

LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT

BY: 

David J. Barberie

dbarberi@lfucg.com

Attorney Senior

Leslye M. Bowman

Director of Litigation

Department of Law

P.O. Box 34028

Lexington, Kentucky 40588-4028

(859) 258-3500

ATTORNEYS FOR LEXINGTON-FAYETTE
URBAN COUNTY

CERTIFICATE OF SERVICE

I hereby certify that an original and eight (8) copies of this document was served by first class U.S. Mail delivery, postage prepaid, to Beth O'Donnell, Executive Director, Public Service Commission, P.O. Box 615, 211 Sower Boulevard, Frankfort, Kentucky 40602-0615; furthermore, it was served by mailing a copy by first class U.S. Mail delivery, postage prepaid, on the following, all on this the ^{12th} day of October 2007:

Lindsey W. Ingram, Jr., Esq.
and Lindsey W. Ingram, III, Esq.
Stoll Keenon Ogden PLLC
300 West Vine Street
Suite 2100
Lexington, Kentucky 40507-1801

A.W. Turner, Jr., Esq.
Attorney at Law
Kentucky-American Water Company
2300 Richmond Road
Lexington, Kentucky 40502

Hon. Gerald Wuetcher
Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

Hon. David Edward Spenard
Ho. Dennis G. Howard II
Assistant Attorney General
Office of the Attorney General
Utility & Rate Intervention Division
1024 Capital Center Drive
Suite 200
Frankfort, Kentucky 40601-8204

David F. Boehm, Esq.
Boehm, Kurtz & Lowry
36 East Seventh Street, Suite 2110
Cincinnati, Ohio 45202

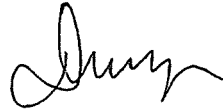
Damon R. Talley, Esq.
P.O. Box 150
112 North Lincoln Boulevard
Hodgenville, Kentucky 42748

Thomas J. FitzGerald, Esq.
Counsel & Director
Kentucky Resources Council, Inc.
Post Office Box 1070
Frankfort, Kentucky 40602

Barbara K. Dickens, Esq.
Vice President and General Counsel
Louisville Water Company
550 South Third Street
Louisville, Kentucky 40202

John E. Selent, Esq.
Edward T. Depp, Esq.
Dinsmore & Shohl, LLP
1400 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202

Stephen Reeder
Robert Ware
Kentucky River Authority
70 Wilkinson Boulevard
Frankfort, Kentucky 40601



ATTORNEY FOR LEXINGTON-FAYETTE
URBAN COUNTY GOVERNMENT

DJB/00140157