



Mayor Jim Newberry

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

Department of Law

May 31, 2007

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JUN - 1 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 an original and 8 copies of the Lexington-Fayette Urban County Government's Supplemental Requests for Information in the referenced matter. Please contact me should you have any questions pertaining to the same.

Yours truly,

David J. Barberie
Corporate Counsel

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HORSE CAPITAL OF THE WORLD

200 East Main Street Lexington, KY 40507 (859) 258-3500 Fax: (859)258-3538 www.lfucg.com

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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JUN - 1 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) CASE NO.
OF KENTUCKY RIVER STATION II, ASSOCIATED) 2007-00134
DACLITIES AND TRANSMISSION MAIN)

**LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT'S SUPPLEMENTAL 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 of April 20, 2007 and submits its Supplemental Requests for Information to Kentucky-American Water Company, Inc. ("KAWC") 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.

SUPPLEMENTAL REQUESTS FOR INFORMATION

1. Refer to Response to LFUCG Request for Information Item 3. Is KAWC willing to remove its application for a drought tariff?
2. Refer to Response to LFUCG Request for Information Item 5.
 - a. Provide a breakdown similar to that found in the table for each year 2001-06 that the information is available. If it is not available, please explain why.
 - b. What is the basis for the 13% "unaccounted-for amount"? (i.e., how was the percentage derived)
 - c. What is the basis for the 1.8% "non-revenue amount"? (i.e., how was the percentage derived)
 - d. Is "unaccounted-for water" as it is utilized in your response driving the increase in the "total amount" for 2006?
3. Refer to Response to LFUCG Request for Information Item 6. Indicate all ways in which the "criteria for evaluating water withdrawal permits had been modified to include volumes of return flows."
 - a. With respect to KAWC's withdrawal permits, how much "return flow" is being provided by KAWC in relation to any "return flow" being provided by other persons or entities?
4. Refer to Response to LFUCG Request for Information Item 7. Is it KAWC's intent that all divisions and customers of KAWC bear the cost of the construction of the proposed treatment plant and its facilities?
5. Has KAWC performed any analysis or study of what the cost to construct and/or operate a treatment facility with a lesser million gallon per day treatment capacity at the same location as the proposed plant would be? If so, please summarize the results and provide a copy of any supporting documentation.
 - a. What would be cost of constructing and operating a facility that could treat up to 15 MGD?
 - b. What would be the cost of constructing and operating a facility that could treat up to 10 MGD?

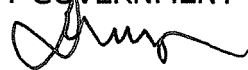
6. Based upon an "average" or "typical" year weatherwise, how frequently (meaning the number of days in a week, month, or year), and under what scenarios (average day demand, maximum day demand, etc.) does KAWC anticipate that the proposed plant will actually be providing up to 10 MGD of water for use by its customers in the years 2010, 2015 and 2020?

- a. Provide the same information for providing up to 15 MGD.
- b. Provide the same information for providing up to 20 MGD.

Respectfully submitted,

LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT

BY:



David J. Barberie
dbarberi@lfucg.com
Corporate Counsel
Leslye M. Bowman
Director of Litigation
Department of Law
200 East Main Street
Lexington, Kentucky 40507
(859) 258-3500
ATTORNEYS FOR LEXINGTON-FAYETTE
URBAN COUNTY

CERTIFICATE OF SERVICE

I hereby certify that an original and eight (8) copies of these requests were 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 31st day of May 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

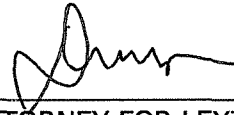
Hon. Gerald Wuetcher
Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

Hon. David Edward Spenard
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.
Michael L. Kurtz
Boehm, Kurtz & Lowry
36 East Seventh Street, Suite 2110
Cincinnati, Ohio 45202

Damon R. Talley, Esq.
112 North Lincoln Boulevard
Hodgenville, Kentucky 42748

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



ATTORNEY FOR LEXINGTON-FAYETTE
URBAN COUNTY GOVERNMENT

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