

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) CASE NO. 2007-00134
CONSTRUCTION OF KENTUCKY RIVER STATION II,)
ASSOCIATED FACILITIES AND TRANSMISSION MAIN)

COMMISSION STAFF'S FIRST SET OF INTERROGATORIES
AND REQUEST FOR PRODUCTION OF DOCUMENTS TO
LOUISVILLE WATER COMPANY

Louisville Water Company ("LWC"), pursuant to 807 KAR 5:001, is to file with the Commission the original, 1 paper copy, and one electronic copy of the following information, with a copy to all parties of record. The information requested herein is due on or before August 27, 2007. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response 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 person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

The LWC shall make timely amendment to any prior responses if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any requests to which

the LWC fails or refuses to furnish all or part of the requested information, the LWC shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied 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.

1. Provide all correspondence, electronic mail, and memoranda between LWC and the Kentucky Transportation Cabinet or Kentucky Highways Department regarding the construction of a water transmission main that is 24 or more inches in diameter along Interstate Highway 64.

2. Provide all correspondence, electronic mail, and memoranda between LWC and any federal government agency regarding the construction of a water transmission main that is 24 or more inches in diameter along Interstate Highway 64.

3. List and describe all meetings and conversations between representatives of LWC and the Kentucky Transportation Cabinet or Kentucky Highways Department regarding the construction of a water transmission main that is 24 or more inches in diameter along Interstate Highway 64.

4. List and describe all meetings and conversations between representatives of LWC and any federal government agency regarding the construction of a water transmission main that is 24 or more inches in diameter along Interstate Highway 64.

5. Assume Kentucky-American Water Company (“Kentucky-American”) contracts with LWC for the supply of water to central Kentucky and that LWC constructs a water transmission main from its current facilities to Fayette County to transport the purchased water. Describe the portions of the transmission main that would be located in or along Interstate Highway 64 right-of-way.

6. Assume that Kentucky-American Water Company contracts with LWC for the supply of water to central Kentucky, that LWC constructs a water transmission main from its current facilities to Fayette County to transport the purchased water, and that LWC is not allowed access to the proposed transmission from Interstate Highway -64 for construction or maintenance.

a. State the width of the right-of-way that LWC will require for the proposed transmission main.

b. State whether LWC must purchase access right of ways to the right of way for the proposed transmission main.

7. Describe the differences in right-of-way purchases, construction methods, and maintenance practices when a 36-inch water transmission main parallels a limited access interstate highway and when such main parallels a state highway or local road.

8. Describe LWC’s experience constructing water transmission mains along interstate highway corridors.

9. Assume Kentucky-American Water Company contracts with LWC for the supply of water to central Kentucky and that LWC constructs a water transmission main from its current facilities to Fayette County to transport the purchased water.

a. Describe the benefits of constructing the water transmission main along an interstate highway corridor.

b. Describe the disadvantages of constructing the water transmission main along an interstate highway corridor.

c. List and describe the permits and approvals necessary to construct a water transmission main along an interstate highway. State the expected time required to obtain each permit or approval

10. State whether LWC's estimate of \$56 million for the cost of constructing 42 miles of water transmission mission, as set forth in its presentation to Lexington-Fayette Urban County Government, includes the costs associated with a crossing of the Kentucky River.

11. Assume Kentucky-American Water Company contracts with LWC for the supply of water to central Kentucky and that LWC constructs a water transmission main from its current facilities to Fayette County to transport the purchased water. Identify the permits and regulatory approvals that are necessary for a crossing of the Kentucky River.

12. On July 31, 2007, LWC filed with the Commission its response to a request for records that Commission Staff submitted pursuant to the Open Records Act. State whether LWC's response is a complete and contains all records that were requested. If not, provide all documents not previously provided that are responsive to Commission Staff's request.

13. Refer to the Prefiled Direct Testimony of Greg Heitzman, Exhibit 2 at 10. State whether entities taking water from the Interstate 64 Pipeline at any point from

Interstate Highway 265 to Kentucky Highway 53 will pay a charge in addition to the proposed wholesale rate of \$1.71 per 1,000 gallons to cover the cost of the Pipeline.

14. Refer to the Prefiled Direct Testimony of Greg Heitzman, Exhibit 2 at 10. State whether, if LWC finances the portion of the water transmission main from Kentucky Highway 53 to Fayette County, an additional charge will be assessed to entities that receive water from a point east of Kentucky Highway 53. If yes, state the anticipated amount of this charge.

15. Refer to the Prefiled Direct Testimony of Greg Heitzman, Exhibit 2 at 11. State whether the total expected cost of \$82 million to construct the Interstate Highway 64 Pipeline to Fayette County includes the cost of purchasing highway right-of-way.

16. Refer to the Prefiled Direct Testimony of Greg Heitzman, Exhibit 2 at 11. Explain the meaning of the term "Minimum Capacity" as used in the table.

17. Refer to the Prefiled Direct Testimony of Greg Heitzman, Exhibit 2 at 11. State the meaning of the term "Minimum Take or Pay." Describe how the minimum amount was determined.

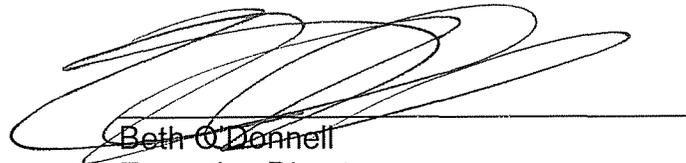
18. Provide all studies, analyses, and reviews that LWC performed to obtain the proposed rate of \$1.71 per 1,000 gallons.

19. Refer to the Prefiled Direct Testimony of Greg Heitzman, Exhibit 2 at 9. State the basis for the statement that central Kentucky needs an "[a]dditional reliable source of supply by 2010."

20. Refer to Letter from Barbara K Dickens, LWC Vice President and General Counsel, to Beth O'Donnell, Executive Director (July 30, 2007). In response to Item 9 of Commission Staff's request for documents pursuant to the Open Records Act, LWC

states that it has provided a copy of a presentation that LWC made to Oldham County Water District on April 11, 2007. A copy of this presentation has not been found in the materials that LWC provided. Provide a copy of this presentation.

21. Refer to Letter from Barbara K Dickens, LWC Vice President and General Counsel, to Beth O'Donnell, Executive Director (July 30, 2007). In response to Items 7 and 8 of Commission Staff's request for documents pursuant to the Open Records Act, LWC provided a copy of its 2002-2020 Facilities Plan. The copy of Volume 2 does not contain Chapters 5 through 7. Provide a complete copy of Volume 2.



Beth O'Donnell
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

DATED: August 13, 2007

cc: Parties of Record