

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF THE SOURCES OF SUPPLY)
AND FUTURE DEMAND OF KENTUCKY-AMERICAN) CASE NO. 93-434
WATER COMPANY)

O R D E R

On February 24, 1994, Kentucky-American Water Company ("Kentucky-American") filed a motion requesting the Commission to limit the scope of this investigation to the issues set forth in the Commission's November 19, 1993 Order. That Order described the issues to be Kentucky-American's "sources of supply and future demand, including demand-side management." Kentucky-American argues that any review of its sources of supply should be limited to existing sources, thereby excluding from consideration any evidence related to a proposed pipeline to Jefferson County, Kentucky, to transport treated water purchased from the Louisville Water Company.

Chetan Talwalkar, an intervenor, filed a memorandum in opposition to the motion, alleging that: 1) the November 19, 1993 Order was sufficiently broad in scope to include the issue of the need for a pipeline; 2) the prepared testimony filed by Kentucky-American discusses the need for the pipeline, thereby making it an issue in this case; and 3) shortcomings in Kentucky-American's planning process adversely affect the public interest, requiring the Commission to review all aspects of the planning process. The

Attorney General's office, Utility and Rate Intervention Division ("AG"), filed a notice of concurrence in Talwalkar's response and Kentucky-American filed a reply.

The Commission, having considered the motion and our November 19, 1993 Order, hereby finds that nothing in that Order was intended to limit the issues in this investigation to existing sources of supply. Furthermore, the prepared testimony filed by Kentucky-American witnesses Robert Gallo and Gary Naumick discusses the proposed pipeline and characterizes it as a feasible solution to Kentucky-American's supply deficiency.

The Commission well recognizes that Kentucky-American has not filed an application, pursuant to KRS 278.020(1), for a Certificate of Convenience and Necessity to construct a pipeline to Jefferson County. Thus, this investigation will not result in approval or denial of a certificate to construct that project. However, the evidence on Kentucky-American's planning process, supply and demand forecasting, and demand side management will assist the Commission in its review of this matter.

IT IS THEREFORE ORDERED that Kentucky-American's motion to limit the issues to exclude evidence on a proposed pipeline to import Ohio River water be and it hereby is denied.

Done at Frankfort, Kentucky, this 25th day of March, 1994.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director