

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY-AMERICAN)
WATER COMPANY FOR A DETERMINATION BY)
THE PUBLIC SERVICE COMMISSION OF THE)
ADEQUACY OF ITS WATER STORAGE) CASE NO. 2005-00546
CAPACITY ANALYSIS DATED DECEMBER 21,)
2005 AND FOR A DEVIATION FROM 807 KAR)
5:066, SECTION 4(4) UNTIL DECEMBER 31, 2020)
PURSUANT TO 807 KAR 5:066, SECTION 18)

COMMISSION STAFF'S FIRST SET OF INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
KENTUCKY-AMERICAN WATER COMPANY

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that Kentucky-American Water Company ("Kentucky-American") file the original and 8 copies of the following information with the Commission within 20 days of this Request, with a copy to all parties of record. Each copy of the information requested shall be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention shall be given to copied material to ensure its legibility. 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 provided for total company operations and jurisdictional operations, separately.

1. Identify the person(s) who prepared “Kentucky-American Water Company Storage Capacity Analysis” and provide his or her curriculum vitae.
2. Provide all correspondence, internal memoranda, and electronic mail messages in which Kentucky-American employees or officials discuss the current water storage capacity analysis or Kentucky-American’s application for deviation.
3. For each Kentucky-American storage facility, provide its name, street address, latitude and longitude, and the pressure zone. Identify each ground level storage tank that has a backup power source.
4. For each storage facility that Kentucky-American intended to construct by 2005, state the name of the facility and state the date that the facility was placed into service. If the facility has yet to be placed into service, state when the facility will be placed into service.
5. Identify each ground level storage facility and state whether the facility has an emergency power source to permit its continued operation during electrical power outages.
6. State whether Kentucky-American included the storage capacity of any ground level storage facility that lacks an emergency power source in its calculations of available storage capacity. If yes, explain why Kentucky-American included this capacity in its available storage capacity calculations.
7. Other comparably sized water distribution systems in Kentucky (e.g., Louisville Water Company, Northern Kentucky Water District, Frankfort Electric and Water Plant Board) have water storage capacity in excess of the average daily

consumption. Explain why Kentucky-American requests deviation to a capacity that is below this level.

8. List and describe any discussions with local fire departments that Kentucky-American officials have had since January 1, 1994 regarding fire flow storage needs in Kentucky-American's service territory.

9. Provide all correspondence with local fire departments that Kentucky-American officials since January 1, 1994 have had regarding fire flow storage needs in Kentucky-American's service territory.

10. Provide all correspondence between Kentucky-American and the Insurance Services Office regarding the needed fire flow volumes for each of the pressure zones in Kentucky-American's service area.

11. Provide all studies, reports, statements and other documents from the Insurance Service Offices that discuss the needed fire flow volumes for each pressure zone in Kentucky-American's service area.

12. Refer to "Kentucky-American Water Company Storage Capacity Analysis" (Dec. 21, 2005) at 19.

a. Provide all workpapers, show all calculations, and state all assumptions used to reach the conclusion that "[a]dditional storage to meet a general standard of one-day storage volume would cost the ratepayers an additional \$13 million."

b. State the effect on an average customer's monthly rates of this additional cost. Provide all workpapers, show all calculations, and state all assumptions used to develop the response.

c. State the cost to Kentucky-American ratepayers of meeting a standard of one-half of one-day storage volume. Provide all workpapers, show all calculations, and state all assumptions used to derive this amount.

d. State the effect on an average customer's monthly rates of maintaining a standard of one-half of one-day storage volume. Provide all workpapers, show all calculations, and state all assumptions used to develop the response.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
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DATED: August 3, 2006

cc: Parties of Record