

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY-AMERICAN)	
WATER COMPANY FOR CONTINUED)	CASE NO.
PARTICIPATION WITH AMERICAN WATER)	2006-00418
CAPITAL CORP.)	

COMMISSION STAFF'S FIRST INFORMATION REQUEST
TO KENTUCKY-AMERICAN WATER COMPANY

Kentucky-American Water Company ("KAWC") is requested, pursuant to 807 KAR 5:001, to file with the Commission no later than December 19, 2006, the original and 8 copies of the following information, with a copy to all parties of record. Each copy of the data requested should 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 should be given to copied material to ensure that it is legible. Where information requested herein has been provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately.

1. The Commission authorized KAWC to enter into the Financial Services Agreement with American Water Capital Corporation ("AWWC"), to participate in the

borrowing program, and to issue \$41,500,000 of securities prior to December 31, 2005.¹ KAWC states that participation in the borrowing program of AWWC allows it to incur less cost than would otherwise be available.²

a. For each debt issuance that comprises the authorized \$41,500,000 of securities provide a schedule containing the following information:

- (1) The date of the issuance.
- (2) The total amount of the issuance.
- (3) The actual annual interest rate.
- (4) The estimated savings KAWC realized from participating in the

AWWC borrowing program.

b. Provide all workpapers, calculations, and assumptions KAWC used to estimate the savings in 1(a)(4).

2. KAWC states that participation in the “new short-term borrowing program” will result in approximately \$158,000 in annual savings when compared to the current arrangement.³ Provide all workpapers, calculations, and assumptions that KAWC used to estimate the \$158,000 in annual savings.

¹ Case No. 2000-00189, The Application of Kentucky-American Water Company for Approval of Participation in Borrowing Program (Ky. PSC July 21, 2000).

² Application at 6.

³ Id. at 5.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
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Dated: December 8, 2006

cc: Parties of Record