

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| AN INVESTIGATION INTO THE FEASIBILITY AND |) | |
| ADVISABILITY OF KENTUCKY-AMERICAN |) | CASE NO. 2001-00117 |
| WATER COMPANY'S PROPOSED SOLUTION TO |) | |
| ITS WATER SUPPLY DEFICIT |) | |

COMMISSION STAFF'S FIRST SET OF INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO THE
ATTORNEY GENERAL

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that Attorney General ("AG") file the original, 3 copies in paper medium and an electronic copy of the following information with the Commission no later than February 14, 2002, 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.

1. List and describe the improvements to the Kentucky River that in the AG's opinion are necessary for the Kentucky River to serve as Kentucky-American Water

Company's ("Kentucky-American") sole source of supply and meet Kentucky-American's expected customer demand in 2020 in the event of a drought of record.

2. For each improvement listed in the response to Interrogatory 1,
 - a. Identify the private entity or governmental agency with the primary responsibility for constructing the improvement.
 - b. Identify the private entity or governmental agency with the primary responsibility for the immediate financing of the improvement's construction.
 - c. Identify the local, state or federal governments or governmental agencies that must review or approve the construction of the proposed improvement.
 - d. State the time period necessary to obtain the necessary regulatory approvals to construct the improvement.
 - e. State the time period necessary to construct the improvement.
 - f. Describe Kentucky-American's responsibility for obtaining the financing, regulatory approval and construction of the improvement.
 - g. Describe the responsibility of the Lexington-Fayette Urban County Government ("LFUCG") for obtaining the financing, regulatory approval and construction of the improvement.
3.
 - a. State whether the improvements listed in the AG's Response to Interrogatory 1 will be sufficient to meet Kentucky-American's customer demand if the needs of other water suppliers and users that withdraw water from the Kentucky River basin are also considered.
 - b. If the improvements listed in the AG's Response to Interrogatory 1 are not sufficient to meet Kentucky-American's customer demand if the needs of other

water suppliers and users that withdraw water from the Kentucky River basin are also considered, explain why not.

4. Provide all studies regarding the economic effects of water restrictions that the AG has prepared, commissioned, participated in or received.

5. List and describe all additional water conservation measures that the AG believes that Kentucky-American could implement to control or reduce its customer demand.

6. List and describe all additional water conservation measures that the AG believes that LFUCG could implement to control or reduce Kentucky-American's customer demand.

7. For each conservation measure set forth in the AG's response to Interrogatories 5 and 6, state the reduction in demand that the measure will produce.

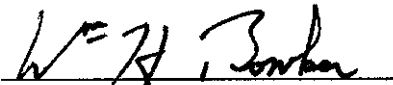
8. State whether the AG is of the opinion that the current supply capacity of the Kentucky River, without any improvements, is sufficient to meet Kentucky-American's current customer demand if a drought of record occurs.

9. State whether the AG is of the opinion that the current supply capacity of the Kentucky River, without any improvements, is sufficient to meet Kentucky-American's current customer demand if a 100-year drought occurs.

10. State whether the AG is of the opinion that the current supply capacity of the Kentucky River, without any improvements, is sufficient to meet Kentucky-American's customer demand in 2020 if a drought of record occurs.

11. State whether the AG is of the opinion that the current supply capacity of the Kentucky River, without any improvements, is sufficient to meet Kentucky-American's customer demand in 2020 if a 100-year drought occurs.

12. Lexington-Fayette Urban County Council Resolution 679-99 established a schedule of improvements to be met by 2002. For each improvement or task listed for this period, describe its present status.


William H. Bowker
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DATED: 2/4/02

cc: Parties of Record