

**KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2007-00143**

**COMMISSION STAFF'S SECOND SET  
OF INFORMATION REQUESTS**

**Item 47 of 80**

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**Witness: Michael A. Miller/Sheila Miler**

47. Refer to Kentucky-American's Response to Commission Staff's First Set of Information Requests, Item 9. The 10-year average ratio of actual to budgeted capital construction ("slippage factors") is 120.46 percent for the Recurring Capital Expenditure Projects 80 – 97 and 88.076 percent for the Investment Projects. Recalculate Kentucky-American's forecasted revenue requirement, rate base, and cost-of-service study as follows:
- a. Using the slippage factor of 120.46, adjust all monthly Recurring Capital Expenditure Projects 80 – 97 expenditures beginning August 2006 through the end of the forecasted period.
  - b. Using the slippage factor of 88.076, adjust all monthly Investment Project expenditures beginning August 2006 through the end of the forecasted period.
  - c. Provide all documents, state assumptions, and show all calculations used to determine the effect of the slippage factors to each forecasted element of revenue requirement, rate base, and cost-of-service study.

**Response:**

Due to the June 14, 2007, revision to this request, a response has not yet been prepared. A response will be filed as soon as possible.

For electronic version, refer to KAW\_R\_PSCDR2#47\_061807.pdf.

**Supplemental Response:**

See attached schedules.

	<u>Updated Filing</u>	<u>PSC Slippage</u>
Revenue increase	\$11,005,465	\$11,094,101
Rate Base	202,100,690	199,859,510
Overall return	8.64%	8.69%
AFUDC	1,858,197	1,678,192
Property taxes	2,729,050	2,739,852
Depreciation	8,038,653	8,068,172

For electronic versions, please refer to the following files:

KAW\_R\_PSCDR2#47\_Supplemental\_061807.pdf  
KAW\_R\_PSCDR2#47\_Part1\_Supplemental\_062207.pdf  
KAW\_R\_PSCDR2#47\_Part2\_Supplemental\_062207.pdf  
KAW\_R\_PSCDR2#47\_Part3\_Supplemental\_062207.pdf  
KAW\_R\_PSCDR2#47\_Part4\_Supplemental\_062207.pdf