

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
LFUCG'S SUPPLEMENTAL
REQUESTS FOR INFORMATION
Item 1 of 19

Witness: Linda C. Bridwell

1. How many different counties comprise the Central Division?

Response:

Seven.

For electronic version, refer to KAW_R_LFCDR2#1_071607.pdf

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Witness: Nick Rowe/Michael Miller

2. Please provide a general estimate of the percentage of customers in the Central Division who are located in Fayette County.

Response:

94%.

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Witness: Linda C. Bridwell

3. See Response to LFUCG Initial Request for Information No. 6. Are any of the "Housing Authority" accounts included in the number of accounts billed to LFUCG? If so, please identify all such accounts and the basis for billing these accounts to LFUCG.

Response:

No.

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Witness: Linda C. Bridwell

4. See Responses to LFUCG Initial Request for Information Nos. 6 and 7. On a going-forward basis, is KAWC willing to provide LFUCG a summary of the number and types of fire hydrants for which it is being billed with each billing? If not, why not?
- a. Are fire hydrants pro-rated on the bills as they are added into the system, or is the customer billed for the entire month of use regardless of when the hydrant is added to the system? If it is not pro-rated, please explain why the customer should bear the cost of a hydrant that was not in service for that portion of time.
 - b. With respect to billing for fire hydrants only, other than the addition or subtraction of hydrants, what basis or explanations exist (if any) for a variance in the amount of each bill?

Response:

KAWC is willing to provide LFUCG with a summary of the number and types of fire hydrants for which the LFUCG is being billed. In the event that LFUCG desires to pursue this effort, KAWC will appoint a liaison for this work and would ask that LFUCG also appoint a liaison in order to develop a useful reporting format from existing data and to handle questions as they might arise in the future.

- a. Fire hydrants are pro-rated on the bills as they are added to or removed from the system based on the date of installation or removal.
- b. Billing cycle changes, taxes or other assessments and rate changes are among other possible explanations for variances.

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Witness: Michael A. Miller

5. See Response to LFUCG Initial Request for Information No. 8(b). Please list all of the tariffs applicable to the use or consumption of water in Fayette County for which KAWC is not currently paying a franchise fee.

Response:

Activation fee and tap fee.

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Witness: Linda C. Bridwell

6. See Response to LFUCG Initial Request for Information No. 11. With respect to privately owned fire hydrants, who bears the cost of any necessary extension to the main, the customer requesting the service or KAWC? Is this answer dependent upon any other factors, such as where the main is located, or whether the main could serve other existing or future customers? Please explain.

Response:

The customer requesting the service. This answer does not vary, as privately-owned hydrants are located on privately-owned mains and are only allowed a connection to serve a single customer.

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Witness: Linda C. Bridwell

7. See Response to LFUCG Initial Request for Information No. 11. Are the 6,359 public hydrants in Fayette County all billed to LFUCG, or are there other persons or entities to which some of these hydrants are billed? If the answer is no, please list the number and location of the hydrants that are not billed to LFUCG, as well as the persons or entities to whom they are billed.

Response:

Yes.

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Witness: Linda C. Bridwell

8. See Response to LFUCG Initial Request for Information No. 11. How many of the 370 private hydrants are billed to LFUCG, and where are they located? What is the basis for these hydrants to be categorized as “private”, and not “public”?

Response:

There are 16 hydrants.

The hydrants are listed as private on our maps and thus included in the 370 count previously provided because they are attached to private mains, however, in reviewing the billing records, they are billed to the LFUCG under the public rate. 2 are located on Cisco Road at the Treatment Facility, 1 is on Parkway Drive at Picadome Golf Course, and 4 are at the LFUCG Detention Facility on Old Frankfort Pike. A reconciliation of our maps to our billing records, which has not been done, will be necessary to correctly identify the location of the remaining hydrants.

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Witness: Linda C. Bridwell

9. See Responses to LFUCG Initial Request for Information Nos. 12 and 14. What persons or entities (other than LFUCG) in the Central Division are billed for public hydrants?
 - a. Is the explanation for the difference between the 6,995 public hydrants and the 6,359 public hydrants the 252 other public hydrants in the Central Division plus public fire hydrants located in other divisions? If not, please explain.

Response:

Clark County Fiscal Court, Bourbon County Fiscal Court, City of Sadieville, City of Georgetown, Scott County Fiscal Court, and Woodford County Fiscal Court. Additionally, a number of private or privately owned hydrants are billed at the public rate to the LFUCG Housing Authority, the LFUCG Airport Board, the University of Kentucky, Eastern State Hospital, and each school district.

- a. No, not entirely. There are 76 public hydrants in the Northern Division, approximately 65 public hydrants in Fayette County that are billed to the LFUCG but have not been included on our maps yet and thus not in the count of 6,359, and approximately 243 private or privately owned hydrants on the maps that are billed at the public tariff as described above.

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Witness: Linda C. Bridwell

10. Please provide the current standards or guidelines used to paint fire hydrants and indicate when all fire hydrants in Fayette County will be in compliance with such standards or guidelines.
- a. Is the painting of hydrants done in conjunction with the testing of each hydrant?
 - b. If the answer to the above question is "no", what information is being relied upon by KAWC in making a determination as to what color(s) should be used to paint each hydrant?

Response:

The NFPA 291, Chapter 3/Standard Color Codes are used as the standard for painting fire hydrants. All Fayette County public and private hydrants will be painted by January 1, 2009, unless weather or other unforeseen circumstances prevent completion.

- a. No.
- b. Information from the most recent inspection is used to determine the appropriate color.

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Witness: Linda C. Bridwell

11. Is KAWC familiar with NFPA 25 “Inspection, Testing, and Maintenance of Water-Based Fire Protection Systems”, which provides that all hydrants should be flow tested on at least an annual basis?
- a. Is KAWC willing to begin flow testing all existing public and private fire hydrants on an annual basis beginning January 1, 2008? If not, why not?

Response:

Yes.

- a. KAW is willing to flow test annually; however, KAW believes it meets the intent of the recommendation in that it not only inspects each hydrant annually, but also flows each hydrant annually during its flushing program, while recording specific flow test information every two years.

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Witness: Linda C. Bridwell

12. See Response to LFUCG Initial Request for Information No. 20. On a going-forward basis, is KAWC willing to provide LFUCG's Division of Fire and Emergency Services the information related to the inspection and testing of each fire hydrant within 30 days of said inspection or testing, or in the alternative, is KAWC willing to provide a monthly update with respect to all hydrants inspected or tested during that time period? If the answer is no, please explain in detail why KAWC is not willing to provide such information.

Response:

Yes.

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Witness: Linda C. Bridwell

13. See Response to LFUCG Initial Request for Information No. 23. Does LFUCG still pay for public fire hydrants that flow less than 500 gpm?
- a. If the answer is yes, then assuming *arguendo*, that such hydrants are of no use to the LFUCG's Division of Fire and Emergency Services for use in firefighting, why should it continue to pay for such hydrants?
 - b. How many such hydrants are known by KAWC to exist in Fayette County and where are there locations?
 - c. On a going-forward basis, is KAWC willing to timely contact the LFUCG's Division of Fire and Emergency Services as any such hydrants are identified, and meet to determine whether the hydrant should be either taken out of service and/or no longer billed to LFUCG?

Response:

Yes.

- a. The assumption is incorrect. A hydrant flowing only 500 gpm or less can be used for fire fighting purposes either solely or in conjunction with other hydrants, utilizing a pumper truck and collapsible hose. Hydrants are provided at the request of the LFUCG and can be removed at their request. If the LFUCG determines it does not wish to pay for a hydrant because of a low flow, KAW would decide if the hydrant is necessary for flushing purposes or removed.
- b. In 1994, KAW did an extensive analysis and identified 80 hydrants in Fayette County that flowed less than 500 gpm. Following that analysis, 5 were removed in consultation with the LFUCG Fire Department. A number were also upgraded following system improvements. The original list is attached. KAW has not updated the list with the changes in hydrant flows. KAW is in the process of including hydrant flows in an electronic database, and with approximately half the hydrants included, also attached is the incomplete listing.
- c. KAW believes this will be accomplished through providing the hydrant flow data, as requested in this case, on an ongoing basis.

For electronic version of this document, refer to KAW_R_LFCDR2#19_071607

Low Flow Hydrants

07/10/07

| No. | Hydrant | | Map No | | Route | | No. |
|-----|---------|--------------------------------------|--------|-----|-------|---------|-----|
| | No. | Location | N | E | 99 | 40 | |
| 1 | 67 | Second (Saunier & Bruce) | 198 | 106 | 40 | 2300 | |
| 2 | 106 | Limestone (3rd and 4th) | 198 | 106 | 40 | 4400 | |
| 3 | 114 | Limestone (4th and 5th) | 198 | 106 | 40 | 4500 | |
| 4 | 115 | Kennilworth Park | 198 | 106 | 40 | 1600 | |
| 5 | 121 | Limestone (6th & 5th) | 198 | 106 | 40 | 4900 | |
| 6 | 124 | Limestone (6th & 7th) | 198 | 106 | 40 | 5000 | |
| 7 | 280 | Fayette Park | 198 | 99 | 35 | 1450 | |
| 8 | 318 | Georgetown, btwn Oak & Hickory | 203 | 106 | 40 | 4050 | |
| 9 | 324 | Sixth & Upper | 198 | 106 | 40 | 5050 | |
| 10 | 333 | Chestnut (5th & 6th) | 198 | 106 | 40 | 8900 | |
| 11 | 336 | Headley (6th & Delcamp) | 203 | 99 | 30 | 950 | |
| 12 | 348 | Spring (combs & Pine) | 198 | 106 | 40 | 5350 | |
| 13 | 349 | 228 Campsie Pl | 198 | 106 | 50 | 8500 | |
| 14 | 352 | Nelson Ave. at 3rd St | 198 | 106 | 40 | 2550 | |
| 15 | 360 | Alabama | 198 | 106 | 50 | 7100 | |
| 16 | 377 | Wilgus Ave. | 198 | 106 | 40 | 650 | |
| 17 | 382 | Ohio (6th & 7th) | 198 | 106 | 20 | 8750 | |
| 18 | 402 | Mentelle Park, middle of the block | 193 | 99 | 30 | 5450 | |
| 19 | 471 | KTHBA | 193 | 106 | 40 | 6550 | |
| 20 | 485 | 437 Bourbon Ave | 198 | 99 | 30 | 1850 | |
| 21 | 486 | Private Road at Red Mile | 193 | 99 | 30 | 6450 | |
| 22 | 487 | KTHBA | 193 | 99 | 10 | 6500 | |
| 23 | 492 | Colmbia, near Dixie Court | 193 | 106 | 40 | 7050 | |
| 24 | 499 | Dakota, N. of 7th Street | 203 | 99 | 40 | 5350 | |
| 25 | 517 | Hampton Court | 198 | 99 | 35 | 2050 | |
| 26 | 531 | Main (Price Rd. & Calvary Cemetery) | 203 | 99 | 40 | 4900 | |
| 27 | 533 | Bruce Street | 198 | 106 | 20 | 2450 | |
| 28 | 570 | 11 Mentelle Park | 193 | 106 | 20 | 5400 | |
| 29 | 571 | 43 Mentelle Park | 193 | 99 | 30 | 5500 | |
| 30 | 604 | Scott St., btwn Broadway & Railroad | 193 | 106 | 40 | 4950 | |
| 31 | 619 | Davidson Court | 203 | 106 | 40 | 1000 | |
| 32 | 620 | 630 Bellaire Ave | 203 | 106 | 40 | 400 | |
| 33 | 621 | Ballaire @ end of street | 203 | 99 | 30 | 500 | |
| 34 | 628 | Virginia Ave | 193 | 106 | 40 | 7100 | |
| 35 | 632 | Florida, N. of 7th Street | 203 | 106 | 55 | 5450 | |
| 36 | 650 | Devonia Ave | 203 | 106 | 40 | 4800 | |
| 37 | 651 | Price @ end of street | 203 | 99 | 30 | 550 | |
| 38 | 655 | Maxwelton & Bonniebray | 193 | 106 | 40 | 7400 | |
| 39 | 657 | Kenilworth | 198 | 99 | 10 | 1650 | |
| 40 | 660 | 124 Warren Ct | 193 | 99 | 10 | 3950 | |
| 41 | 667 | Clifton - Pennsylvania Ct. | 193 | 99 | 10 | 7250 | |
| 42 | 688 | Dixie Court | 193 | 99 | 30 | 7000 | |
| 43 | 694 | Bucoto Court | 193 | 99 | 10 | 6366 | |
| 44 | 695 | 120 Bassett Ct. | 198 | 106 | 40 | 4050 | |
| 45 | 698 | Price Ave. W. of 7th Street | 203 | 99 | 30 | 600 | |
| 46 | 712 | Spiegel St | 198 | 106 | 50 | 4050 | |
| 47 | 789 | Delaware, near 3rd St. | 193 | 106 | 55 | 5600 | |
| 48 | 882 | Castlewood (Highland & Maple) | 198 | 106 | 20 | 3400 | |
| 49 | 2801 | 35 Richmond Road | 193 | 106 | 20 | 5280 | |
| 50 | 2802 | Richmond Road | 193 | 92 | 15 | 5290 | |
| 51 | 2913 | Venice Drive | 188 | 148 | 100 | 365 | |
| 52 | 3565 | Winchester Rd., btwn Haley Pk. & Eas | 188 | 155 | 100 | 4400 | |
| 53 | 3566 | Rivieria Rd. & combs Ferry Rd | 188 | 155 | 100 | 5400 | |
| 54 | 3567 | Lasomme Dr. Rivieria Rd. | 188 | 92 | 35 | 4900 | |
| 55 | 3587 | Dan Patch & Adios Dr. | 228 | 120 | 60 | 1730 | |
| 56 | 3588 | Huffman Mill Rd. - Samuel La. | 228 | 113 | 60 | 2425 | |
| 57 | 3588 | Huffman Mill Road | 228 | 92 | 35 | 4632 | |
| 58 | 3962 | Adios & Adios Ct | 228 | 99 | 35 | 1740 | |
| 59 | 3973 | Leestown Pk | 203 | 99 | 30 | 4925 | |
| 60 | 4137 | Maxwelton Court | 193 | 141 | 110 | 7390 | |
| 61 | 4141 | Richmond Rd. @ McCalls Mill Rd | 148 | 155 | 100 | 2250 | |
| 62 | 4460 | Willow Lane & Haley Pike | 198 | 141 | 100 | 3950 | |
| 63 | 4628 | Royster Road - Utering Lane | 193 | 148 | 100 | 3810 | |
| 64 | 4630 | Maria Drive | 193 | 148 | 100 | 3925 | |
| 65 | 4631 | Eastpoint Dr. & Longford Ct | 193 | 148 | 100 | 4575 | |
| 66 | 4632 | Eastpoint Dr. @ Whitemark | 193 | 148 | 100 | 4550 | |
| 67 | 4633 | Eastpoint Dr | 193 | 155 | 100 | 4525 | |
| 68 | 4634 | Winchester Road | 188 | 155 | 100 | 4700 | |
| 69 | 4639 | Winchester Rd | 188 | 141 | 110 | 4800 | |
| 70 | 4672 | Todds Rd. @ Pricetown | 178 | 141 | 110 | 1325 | |
| 71 | 4673 | Cleveland Road - Centerville Lane | 173 | 148 | 110 | 1475 | |
| 72 | 4674 | Sulphur Well - Cleveland Road | 173 | 141 | 100 | 1425 | |
| 73 | 4731 | Royster Road - Columbus Lane | 193 | 141 | 110 | 3805 | |
| 74 | 4776 | Cleveland Road @ fire Station 18 | 153 | 134 | 125 | 2225 | |
| 75 | 5166 | Todds Station | 178 | 134 | 125 | 1652 | |
| 76 | 5167 | Todds Station | 178 | 134 | 125 | 1653 | |
| 77 | 5168 | Todds Station | 178 | 134 | 125 | 1654 | |
| 78 | 5169 | Todds Station | 178 | 134 | 125 | 1655b | |
| 79 | 5170 | Todds Station | 178 | 57 | 45 | 1656 | |
| 80 | P568 | Pisgah Pike | 198 | | | 6925.00 | |

| Color | HYDRANT | Route | TimeStamp | PR_STREET | IR_STREET | IR_DIST | IR_DIR | IR_REF | ROUTE_NO |
|-------|---------|-------|-----------|-------------------|--------------------|----------|--------|--------|----------|
| RED | 278C | 40 | 15-Mar-07 | ELSMERE PARK | WEST SEVENTH ST | 200 S | SCL | | 040-5300 |
| RED | 3316C | 7 | 20-Mar-07 | TURKEY FOOT RD | GALAXIE DR | 461 W | WCL | | 007-3525 |
| RED | 3567C | 100 | 15-Mar-07 | RIVIERA DR | LASOME DR | SW | COR | | 100-4900 |
| RED | 359C | 40 | 15-Mar-07 | ELSMERE PARK | WEST SIXTH ST | 200 N | NCL | | 040-4250 |
| RED | 380C | 35 | 15-Mar-07 | HENRY ST | WEST THIRD ST | 400 N | NCL | | 035-5700 |
| RED | 3962C | 35 | 15-Mar-07 | ADIOS CT | ADIOS DR | 35 S | SCL | | 035-1740 |
| RED | 4460C | 100 | 15-Mar-07 | WILLOW LN | HALEY PK | 30.06 E | CTR LN | | 100-3950 |
| RED | 4731C | 100 | 15-Mar-07 | ROYSTER RD | COLUMBIATOWN LN | 23 S | CTR LN | | 100-3815 |
| RED | 4776C | 110 | 15-Mar-07 | CLEVELAND PIKE | RICHMOND RD | 166 N | CTR LN | | 110-2225 |
| RED | 4968C | 7 | 20-Mar-07 | TABOR OAK LANE | OLD MOUNT TABOR RD | 512.06 S | SCL | | 007-2942 |
| RED | 499C | 40 | 15-Mar-07 | DAKOTA ST | WEST SEVENTH ST | 428 N | NCL | | 040-5350 |
| RED | 517C | 40 | 15-Mar-07 | HEMPTON CT | WEST THIRD ST | 401 N | NCL | | 040-2050 |
| RED | 628C | 30 | 15-Mar-07 | VIRGINIA AVE | EXPORT AVE | 37 E | ECL | | 030-7100 |
| RED | 694C | 30 | 15-Mar-07 | BUCOTO CT | SOUTH BROADWAY | 500 E | ECL | | 030-6366 |
| RED | 767P | 110 | 15-Mar-07 | ELK LICK FALLS RD | DRIVE @ 8190 | 1846 S | CTR LN | | 110-2260 |
| RED | 845C | 5 | 20-Mar-07 | IDLE HOUR DR | RICHMOND RD | 48 N | NCL | | 005-1650 |
| RED | 850C | 5 | 20-Mar-07 | ST MARGARET | COBURN BLVD | 38 N | NCL | | 005-1550 |
| RED | 882C | 55 | 15-Mar-07 | CASTLEWOOD DR | MAPLE ST | 288 E | ECL | | 055-3400 |

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Witness: Linda C. Bridwell

14. See Response to LFUCG Initial Request for Information No. 25. Please list all such properties for which KAWC has shut off service and ceased billing.

Response:

We have reviewed the record for private fire services dating back to October 2003 (the date of conversion to our current customer service software) and can find no such actions for that time period.

For electronic version, refer to KAW_R_LFCDR2#14_071607.pdf

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Witness: Michael Miller/Paul Herbert

15. See Response to LFUCG Initial Request for Information No. 41 and Revised Exhibit No. 37. What is the impact of the corrections on the proposed rate increase to the public fire service class? Please provide any other updates or changes related to these corrections, including but not limited to any updates to Exhibit No. 36.
- a. Does KAWC agree that the additional revenues from public fire hydrants should serve to lessen the amount of revenue required from the public fire service class by that same amount? If not, why not?

Response:

The Company has filed an amendment to its Exhibit 37 to reflect a number of errors in the original filing, including a correction to going-level revenues to reflect the proper public and private fire service revenue for the forecasted test-year. The revised Exhibit 37 lowered the overall revenue requirement deficiency from \$13.188 million to \$11.005 million with the overall increase to tariff customers now being 22.2% versus the 26.9% in the original filing. The revenue increase of public fire is now \$272,466 or 12.0% versus the \$529,333 or 27.0% in the original filings

- a. No. As explained above, the changes in the overall revenue requirement and level of rate increase as reflected in the revised Exhibit 37 are then spread to the various customer classifications in accordance with the recommendations contained in the cost of service study. The changes to the Company's filing reduce the impact to the public fire service classification but not at the same level as the additional going-level revenue included in the revised filing.

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Witness: Michael Miller/Paul Herbert

16. Is KAWC still seeking a 26.992% increase with respect to the public fire service class?
- a. If so, what will be the actual percentage of cost that will be borne by the public fire service class, and what is the amount of this cost that will exceed the 4% recommendation of the cost of service study?
 - b. If KAWC is recommending that the public fire service class bear any additional costs exceeding the 4% in its cost of service study, has it considered at all that the majority of these costs will be borne by a single customer?

Response:

No. See the response to LFUCG2#15.

- a. See the response to LFUCG2#15.
- b. The Company is not recommending that this class bear any additional costs exceeding the allocation contained in the cost of service study.

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Witness: Michael Miller

17. See Revised Exhibit No. 37. Does KAWC agree that the revenue it currently collects from public fire hydrants is more than 4%? What is percentage of costs that is currently borne by the public fire service class?

Response:

The Company does not agree that the revenue it currently collects from public fire hydrants is more than 4%. Revenues from the public fire service class currently are 4% of total metered revenues.

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Witness: Michael Miller

18. See Revised Exhibit No. 37 and Exhibit No. 36. Do both of these exhibits now accurately account for the number of public fire hydrants that are proposed to be added into the system during the relevant periods of time? If not, why not?
- a. What effect does the inclusion of these additional hydrants have on the proposed rate increase for the public fire service class?

Response:

Revised Exhibits No 36 and No. 37 accurately account for the number of public fire hydrants.

- a. The inclusion of these additional hydrants reduces the amount of rate increase for the public fire service class. The percent increase requested is reduced from 27% down to 12%.

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Witness: Linda Bridwell

19. Is KAWC familiar with Chapter 17C of the Lexington-Fayette Urban County Code of Ordinances, the "Lexington-Fayette Urban County Government Public Right-of- Way Ordinance"?
- a. Is it KAWC's position or belief that it is not required to fully comply with the provisions of this ordinance? Please explain.
 - b. Does KAWC obtain the permits required by the ordinance in advance of performing work in the public right-of-way? Please explain.
 - c. Does KAWC timely repair its street cuts made in and to the public right-of-way in accordance with the ordinance? Please explain.
 - d. Who is the point of contact within KAWC to whom a question, complaint, or issue regarding work in the public right-of-way should be directed? Please provide this person's position description or title, address, and telephone number with your response.

Response:

The Company has conferred with counsel for LFUCG about the relevancy of this question and has reached an understanding that obviates the need for a response.

For electronic version, refer to KAW_R_LFCDR2#19_071607.pdf