

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ADJUSTMENT OF RATES OF KENTUCKY-) CASE NO. 2007-00143
AMERICAN WATER COMPANY)

**LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT'S SUPPLEMENTAL REQUESTS FOR INFORMATION**

Comes now the Lexington-Fayette Urban County Government (the "LFUCG"), by counsel and pursuant to the Public Service Commission's Scheduling Order of May 18, 2007 and submits its Supplemental Requests for Information to Kentucky-American Water Company ("KAWC") to be answered in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the company witness who will be prepared to answer questions concerning each request.

(3) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(4) If any request appears confusing, please request clarification directly from counsel for the LFUCG.

(5) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(6) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout that would not be self evident to a person not familiar with the printout.

(7) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify counsel for the LFUCG as soon as possible.

(8) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(9) In the event any document called for has been destroyed or transferred beyond the control of the company state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

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1. How many different counties comprise the Central Division?
2. Please provide a general estimate of the percentage of customers in the Central Division who are located in Fayette County.
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.
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?
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.
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.
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.
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"?

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.

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?

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?

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.

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?

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.

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?

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?

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?

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?

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.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on June 29, 2007, a true and accurate copy of the foregoing was electronically transmitted to the Public Service Commission; that the Public Service Commission and other parties participating by electronic means were notified of such electronic transmission; that the original and one (1) copy in paper medium was served by first class U.S. Mail delivery, postage prepaid, to Beth O'Donnell, Executive Director, Public Service Commission, P.O. Box 615, 211 Sower Boulevard, Frankfort, Kentucky 40602-0615; and that one (1) copy in paper medium was served by first class U.S. Mail delivery, postage prepaid, on the following:

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