

**KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
LFUCG'S SECOND REQUEST FOR INFORMATION**

---

**Witness: Sheila Miller**

1. See Responses to Lexington's Initial Requests for Information 9, 10, 11, and 17. Given that the actual number of hydrants already in use exceeds the number of hydrants used for the test year, and that there are a significant number of hydrants projected to be added into the system during the test year, how can KAWC claim that it used a 13 month average to come up with the appropriate number of hydrants?
  - a. Based upon the above, what is KAWC's position on the appropriate number of hydrants that should be used for the test year and why?
  - b. Please provide a revised Schedule A to Exhibit 36 that reflects any change(s).
  - c. Do you agree that the proposed increase for public fire service is decreased if additional hydrants are included in the above analysis?
  - d. Is KAWC willing to decrease the amount of its requested proposed increase to public fire service to reflect the above? If not, why?

**Response:**

- a. The response to KAW\_R\_LFUCGDR1#9 listed an incorrect number of public fire hydrants currently being billed as 7,388. The actual number currently being billed is 7,338. The number of public fire hydrants in the forecasted test year is 7,387 which is the thirteen month average. The calculation of the forecasted public fire hydrants was included in response to KAW\_R\_AGDR1#1\_042610 and labeled as public and private fire 2009.xls, tab 7. The Company believes its used the correct number of public fire hydrants of 7,387 hydrants in the forecasted test-year in its filing in this case.
- b. See response to a. above. No change is needed to Exhibit 36, Schedule A.
- c. See response to a. above. If the Company has understated the number of public fire hydrants in its filing, an increase in the number of public fire hydrants would tend to decrease the overall rate increase requested, however, that is not the case in this filing.
- d. No. See response to a., b. and c. above.

For the electronic version of this response, refer to KAW\_R\_LFUCGDR2#1\_052810.pdf.

**KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
LFUCG'S SECOND REQUEST FOR INFORMATION**

---

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

2. See Response to Lexington's Initial Request for Information 2. The account information appears to include other accounts which include "Lexington" in their name other than the Lexington-Fayette Urban County Government. Please verify that Lexington is not currently being billed for any of these other named accounts.

**Response:**

The following were inadvertently included in response to KAW\_R\_LFUCGDR1#2 and are not LFUCG accounts – Lexington Financial Center (3 accounts) and Lexington Fitness (1 account). However, the Lexington Fayette Urban County Government is not being billed for these accounts.

For the electronic version of this response, refer to KAW\_R\_LFUCGDR2#2\_052810.pdf.

**KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
LFUCG'S SECOND REQUEST FOR INFORMATION**

---

**Witness: Sheila Miller**

3. Please verify that fire hydrants are billed on a monthly pro rata basis based upon the date of their installation or removal. If not, please explain.

**Response:**

Yes.

For the electronic version, refer to KAW\_R\_LFUCGDR2#3\_052810.pdf.

**KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
LFUCG'S SECOND REQUEST FOR INFORMATION**

---

**Witness: Michael A. Miller**

4. Please list all of the tariffs applicable to the use of consumption of water in Fayette County for which KAWC does not currently pay Lexington a franchise fee.

**Response:**

The current Franchise Agreement (Resolution No. 146-95) states in Section 9, "Gross Revenues", that gross revenues shall include all revenues from the sale of water, service charges based upon size of the facilities, municipal fire connections and hydrants, private fire connections and hydrants, temporary service connections for construction purposes, reconnection charges, returned check charges, service line inspection fees, and bulk sales to customers in Fayette County. All other sources of revenues not explicitly mentioned in the resolution above, are excluded from "Gross Revenues." The Franchise Agreement mirrored the tariffs of KAW at the time the agreement was written. There is no provision in the agreement for adding new fees, etc. into the definition of "Gross Revenues." At this time the Company has an Application Fee in its tariffs that is not subject to the Franchise Fee.

For the electronic version, refer to KAW\_R\_LFUCGDR2#4\_052810.pdf.

**KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
LFUCG'S SECOND REQUEST FOR INFORMATION**

---

**Witness: Linda C. Bridwell**

5. Please provide all of the documents related Lexington's Initial Requests for Information 4 and 5.

**Response:**

Please see attached.

For the electronic version, refer to KAW\_R\_LFUCGDR2#5\_052810.pdf.



KENTUCKY  
AMERICAN WATER

Kentucky American Water  
2300 Richmond Road  
Lexington, KY 40502  
amwater.com

April 7, 2010

Mr. Tom Calkins  
Public Utilities Director  
City of Nicholasville  
601 N. Main Street  
Nicholasville, KY 40356

**RE: New Pool 3 Water Treatment Plant Project Update**

Dear Tom:

I wanted to update you on the new Pool 3 Water Treatment Plant project, including the 30-mile, 42-inch diameter transmission main connecting the plant to Kentucky American Water's distribution system in Fayette County, and 3 million-gallon storage tank and booster station.

Easement acquisition along the pipeline route was completed in November 2009. On February 4, 2010, we installed the final connection of 42-inch pipe in Franklin County, thus completing the construction phase of the pipeline portion of this water supply project. Hydrostatic pressure testing of the pipeline is ongoing by filling the water line from the Fayette County connection point.

The 3 million-gallon storage tank and booster pump station in Franklin County is complete, and initial testing of electrical equipment and piping is ongoing. The 20 million-gallon per day water treatment plant and intake station construction is continues. All of the buildings are under roof with equipment installation occurring at this time. The intake construction is complete in the river and pump installation is under way.

The entire project remains on schedule for substantial completion in late summer 2010, and on budget for the current projection at \$163 million. I'd be happy to show you around the new facilities at your convenience.

Kentucky American Water remains interested in negotiating a regional partnership with any individual utility or with the Bluegrass Water Supply Commission. The economies of scale through a regional supply effort still exist and the opportunities are still available even as construction is nearing completion. While the current capacity is designed solely for the needs of Kentucky American Water, the plant is designed to easily and inexpensively be expanded as necessary. I am also available to discuss partnerships with you at your convenience.

I look forward to talking to you soon. Please contact me at (859) 268-6373 or via e-mail at [linda.bridwell@amwater.com](mailto:linda.bridwell@amwater.com).

Sincerely,

A handwritten signature in cursive script that reads "Linda Bridwell".

Linda Bridwell, P.E.  
Project Delivery Manager Water Supply

Enclosures



KENTUCKY  
AMERICAN WATER

Kentucky American Water  
2300 Richmond Road  
Lexington, KY 40502  
amwater.com

April 7, 2010

Mr. Rick Fletcher  
Mt. Sterling Water & Sewer  
300 E. Main Street  
Mt. Sterling, KY 40353

**RE: New Pool 3 Water Treatment Plant Project Update**

Dear Mr. Fletcher:

I wanted to update you on the new Pool 3 Water Treatment Plant project, including the 30-mile, 42-inch diameter transmission main connecting the plant to Kentucky American Water's distribution system in Fayette County, and 3 million-gallon storage tank and booster station.

Easement acquisition along the pipeline route was completed in November 2009. On February 4, 2010, we installed the final connection of 42-inch pipe in Franklin County, thus completing the construction phase of the pipeline portion of this water supply project. Hydrostatic pressure testing of the pipeline is ongoing by filling the water line from the Fayette County connection point.

The 3 million-gallon storage tank and booster pump station in Franklin County is complete, and initial testing of electrical equipment and piping is ongoing. The 20 million-gallon per day water treatment plant and intake station construction is continues. All of the buildings are under roof with equipment installation occurring at this time. The intake construction is complete in the river and pump installation is under way.

The entire project remains on schedule for substantial completion in late summer 2010, and on budget for the current projection at \$163 million. I'd be happy to show you around the new facilities at your convenience.

Kentucky American Water remains interested in negotiating a regional partnership with any individual utility or with the Bluegrass Water Supply Commission. The economies of scale through a regional supply effort still exist and the opportunities are still available even as construction is nearing completion. While the current capacity is designed solely for the needs of Kentucky American Water, the plant is designed to easily and inexpensively be expanded as necessary. I am also available to discuss partnerships with you at your convenience.



I look forward to talking to you soon. Please contact me at (859) 268-6373 or via e-mail at [linda.bridwell@amwater.com](mailto:linda.bridwell@amwater.com).

Sincerely,

A handwritten signature in cursive script that reads "Linda Bridwell".

Linda Bridwell, P.E.  
Project Delivery Manager Water Supply

Enclosures



KENTUCKY  
AMERICAN WATER

Kentucky American Water  
2300 Richmond Road  
Lexington, KY 40502  
amwater.com

April 7, 2010

Mr. Charles Martin  
Director of Water Quality  
Lexington-Fayette Urban County Government  
301 Lisle Industrial Avenue  
Lexington, KY 40511

**RE: New Pool 3 Water Treatment Plant Project Update**

Dear Charlie:

I wanted to update you on the new Pool 3 Water Treatment Plant project, including the 30-mile, 42-inch diameter transmission main connecting the plant to Kentucky American Water's distribution system in Fayette County, and 3 million-gallon storage tank and booster station.

Easement acquisition along the pipeline route was completed in November 2009. On February 4, 2010, we installed the final connection of 42-inch pipe in Franklin County, thus completing the construction phase of the pipeline portion of this water supply project. Hydrostatic pressure testing of the pipeline is ongoing by filling the water line from the Fayette County connection point.

The 3 million-gallon storage tank and booster pump station in Franklin County is complete, and initial testing of electrical equipment and piping is ongoing. The 20 million-gallon per day water treatment plant and intake station construction is continues. All of the buildings are under roof with equipment installation occurring at this time. The intake construction is complete in the river and pump installation is under way.

The entire project remains on schedule for substantial completion in late summer 2010, and on budget for the current projection at \$163 million. I'd be happy to show you around the new facilities at your convenience.

Kentucky American Water remains interested in negotiating a regional partnership with any individual utility or with the Bluegrass Water Supply Commission. The economies of scale through a regional supply effort still exist and the opportunities are still available even as construction is nearing completion. While the current capacity is designed solely for the needs of Kentucky American Water, the plant is designed to easily and inexpensively be expanded as necessary. I am also available to discuss partnerships with you at your convenience.

I look forward to talking to you soon. Please contact me at (859) 268-6373 or via e-mail at [linda.bridwell@amwater.com](mailto:linda.bridwell@amwater.com).

Sincerely,

A handwritten signature in cursive script that reads "Linda Bridwell".

Linda Bridwell, P.E.  
Project Delivery Manager Water Supply

Enclosures



**KENTUCKY  
AMERICAN WATER**

Kentucky American Water  
2300 Richmond Road  
Lexington, KY 40502  
amwater.com

April 7, 2010

Mr. David Billings  
Frankfort Plant Board  
317 W. Second St.  
P.O. Box 308  
Frankfort, KY 40602

**RE: New Pool 3 Water Treatment Plant Project Update**

Dear David:

I wanted to provide an update to you on the new Pool 3 Water Treatment Plant project, including the 30-mile, 42-inch diameter transmission main connecting the plant to Kentucky American Water's distribution system in Fayette County, and 3 million-gallon storage tank and booster station.

Easement acquisition along the pipeline route was completed in November 2009. On February 4, 2010, we installed the final connection of 42-inch pipe in Franklin County, thus completing the construction phase of the pipeline portion of this water supply project. Hydrostatic pressure testing of the pipeline is ongoing by filling the water line from the Fayette County connection point.

The 3 million-gallon storage tank and booster pump station in Franklin County is complete, and initial testing of electrical equipment and piping is ongoing. The 20 million-gallon per day water treatment plant and intake station construction is continues. All of the buildings are under roof with equipment installation occurring at this time. The intake construction is complete in the river and pump installation is under way.

The entire project remains on schedule for substantial completion in late summer 2010, and on budget for the current projection at \$163 million. I'd be happy to show you around the new facilities at your convenience.

Kentucky American Water remains interested in negotiating a regional partnership with any individual utility or with the Bluegrass Water Supply Commission. The economies of scale through a regional supply effort still exist and the opportunities are still available even as construction is nearing completion. While the current capacity is designed solely for the needs of Kentucky American Water, the plant is designed to easily and inexpensively be expanded as necessary. I am also available to discuss partnerships with you at your convenience.

I look forward to talking to you soon. Please contact me at (859) 268-6373 or via e-mail at [linda.bridwell@amwater.com](mailto:linda.bridwell@amwater.com).

Sincerely,

A handwritten signature in cursive script that reads "Linda Bridwell". The signature is written in black ink and is positioned above the typed name.

Linda Bridwell, P.E.  
Project Delivery Manager Water Supply

Enclosures



KENTUCKY  
AMERICAN WATER

Kentucky American Water  
2300 Richmond Road  
Lexington, KY 40502  
amwater.com

April 7, 2010

Mr. Kevin Crump  
City of Paris  
525 High Street  
Paris, KY 40361

**RE: New Pool 3 Water Treatment Plant Project Update**

Dear Kevin:

I wanted to update you on the new Pool 3 Water Treatment Plant project, including the 30-mile, 42-inch diameter transmission main connecting the plant to Kentucky American Water's distribution system in Fayette County, and 3 million-gallon storage tank and booster station.

Easement acquisition along the pipeline route was completed in November 2009. On February 4, 2010, we installed the final connection of 42-inch pipe in Franklin County, thus completing the construction phase of the pipeline portion of this water supply project. Hydrostatic pressure testing of the pipeline is ongoing by filling the water line from the Fayette County connection point.

The 3 million-gallon storage tank and booster pump station in Franklin County is complete, and initial testing of electrical equipment and piping is ongoing. The 20 million-gallon per day water treatment plant and intake station construction is continues. All of the buildings are under roof with equipment installation occurring at this time. The intake construction is complete in the river and pump installation is under way.

The entire project remains on schedule for substantial completion in late summer 2010, and on budget for the current projection at \$163 million. I'd be happy to show you around the new facilities at your convenience.

Kentucky American Water remains interested in negotiating a regional partnership with any individual utility or with the Bluegrass Water Supply Commission. The economies of scale through a regional supply effort still exist and the opportunities are still available even as construction is nearing completion. While the current capacity is designed solely for the needs of Kentucky American Water, the plant is designed to easily and inexpensively be

expanded as necessary. I am also available to discuss partnerships with you at your convenience.

I look forward to talking to you soon. Please contact me at (859) 268-6373 or via e-mail at [linda.bridwell@amwater.com](mailto:linda.bridwell@amwater.com).

Sincerely,

A handwritten signature in cursive script that reads "Linda Bridwell".

Linda Bridwell, P.E.  
Project Delivery Manager Water Supply

Enclosures



KENTUCKY  
AMERICAN WATER

Kentucky American Water  
2300 Richmond Road  
Lexington, KY 40502  
amwater.com

April 7, 2010

Mr. Bill Jenkins  
General Manager  
Georgetown Municipal Water And Sewer Service  
P.O. Box 640  
Georgetown, KY 40324

**RE: New Pool 3 Water Treatment Plant Project Update**

Dear Billy:

I wanted to update you on the new Pool 3 Water Treatment Plant project, including the 30-mile, 42-inch diameter transmission main connecting the plant to Kentucky American Water's distribution system in Fayette County, and 3 million-gallon storage tank and booster station.

Easement acquisition along the pipeline route was completed in November 2009. On February 4, 2010, we installed the final connection of 42-inch pipe in Franklin County, thus completing the construction phase of the pipeline portion of this water supply project. Hydrostatic pressure testing of the pipeline is ongoing by filling the water line from the Fayette County connection point.

The 3 million-gallon storage tank and booster pump station in Franklin County is complete, and initial testing of electrical equipment and piping is ongoing. The 20 million-gallon per day water treatment plant and intake station construction is continues. All of the buildings are under roof with equipment installation occurring at this time. The intake construction is complete in the river and pump installation is under way.

The entire project remains on schedule for substantial completion in late summer 2010, and on budget for the current projection at \$163 million. I'd be happy to show you around the new facilities at your convenience.

Kentucky American Water remains interested in negotiating a regional partnership with any individual utility or with the Bluegrass Water Supply Commission. The economies of scale through a regional supply effort still exist and the opportunities are still available even as construction is nearing completion. While the current capacity is designed solely for the needs of Kentucky American Water, the plant is designed to easily and inexpensively be



expanded as necessary. I am also available to discuss partnerships with you at your convenience.

I look forward to talking to you soon. Please contact me at (859) 268-6373 or via e-mail at [linda.bridwell@amwater.com](mailto:linda.bridwell@amwater.com).

Sincerely,

A handwritten signature in cursive script that reads "Linda Bridwell".

Linda Bridwell, P.E.  
Project Delivery Manager Water Supply

Enclosures



KENTUCKY  
AMERICAN WATER

Kentucky American Water  
2300 Richmond Road  
Lexington, KY 40502  
amwater.com

April 7, 2010

Honorable Ed Burtner  
Mayor  
City of Winchester  
P.O. Box 40  
Winchester, KY 40392-0040

**RE: New Pool 3 Water Treatment Plant Project Update**

Dear Mayor Burtner:

I wanted to update you on the new Pool 3 Water Treatment Plant project, including the 30-mile, 42-inch diameter transmission main connecting the plant to Kentucky American Water's distribution system in Fayette County, and 3 million-gallon storage tank and booster station.

Easement acquisition along the pipeline route was completed in November 2009. On February 4, 2010, we installed the final connection of 42-inch pipe in Franklin County, thus completing the construction phase of the pipeline portion of this water supply project. Hydrostatic pressure testing of the pipeline is ongoing by filling the water line from the Fayette County connection point.

The 3 million-gallon storage tank and booster pump station in Franklin County is complete, and initial testing of electrical equipment and piping is ongoing. The 20 million-gallon per day water treatment plant and intake station construction is continues. All of the buildings are under roof with equipment installation occurring at this time. The intake construction is complete in the river and pump installation is under way.

The entire project remains on schedule for substantial completion in late summer 2010, and on budget for the current projection at \$163 million. I'd be happy to show you around the new facilities at your convenience.

Kentucky American Water remains interested in negotiating a regional partnership with any individual utility or with the Bluegrass Water Supply Commission. The economies of scale through a regional supply effort still exist and the opportunities are still available even as construction is nearing completion. While the current capacity is designed solely for the needs of Kentucky American Water, the plant is designed to easily and inexpensively be

expanded as necessary. I am also available to discuss partnerships with you at your convenience.

I look forward to talking to you soon. Please contact me at (859) 268-6373 or via e-mail at [linda.bridwell@amwater.com](mailto:linda.bridwell@amwater.com).

Sincerely,

A handwritten signature in cursive script that reads "Linda Bridwell".

Linda Bridwell, P.E.  
Project Delivery Manager Water Supply

Enclosures



KENTUCKY  
AMERICAN WATER

Kentucky American Water  
2300 Richmond Road  
Lexington, KY 40502  
amwater.com

April 7, 2010

Mr. Don Hassall  
General Manager  
Bluegrass Water Supply Commission  
699 Perimeter Dr.  
Lexington, KY 40517-4120

**RE: New Pool 3 Water Treatment Plant Project Update**

Dear Don:

I wanted to update you on the new Pool 3 Water Treatment Plant project, including the 30-mile, 42-inch diameter transmission main connecting the plant to Kentucky American Water's distribution system in Fayette County, and 3 million-gallon storage tank and booster station.

Easement acquisition along the pipeline route was completed in November 2009. On February 4, 2010, we installed the final connection of 42-inch pipe in Franklin County, thus completing the construction phase of the pipeline portion of this water supply project. Hydrostatic pressure testing of the pipeline is ongoing by filling the water line from the Fayette County connection point.

The 3 million-gallon storage tank and booster pump station in Franklin County is complete, and initial testing of electrical equipment and piping is ongoing. The 20 million-gallon per day water treatment plant and intake station construction is continues. All of the buildings are under roof with equipment installation occurring at this time. The intake construction is complete in the river and pump installation is under way.

The entire project remains on schedule for substantial completion in late summer 2010, and on budget for the current projection at \$163 million. I'd be happy to show you around the new facilities at your convenience.

Kentucky American Water remains interested in negotiating a regional partnership with any individual utility or with the Bluegrass Water Supply Commission. The economies of scale

through a regional supply effort still exist and the opportunities are still available even as construction is nearing completion. While the current capacity is designed solely for the needs of Kentucky American Water, the plant is designed to easily and inexpensively be expanded as necessary. I am also available to discuss partnerships with you at your convenience.

I look forward to talking to you soon. Please contact me at (859) 268-6373 or via e-mail at [linda.bridwell@amwater.com](mailto:linda.bridwell@amwater.com).

Sincerely,

A handwritten signature in black ink that reads "Linda Bridwell". The signature is written in a cursive, flowing style.

Linda Bridwell, P.E.  
Project Delivery Manager Water Supply

Enclosures



KENTUCKY  
AMERICAN WATER

Kentucky American Water  
2300 Richmond Road  
Lexington, KY 40502  
amwater.com

April 7, 2010

Mr. Damon Talley  
P.O. Box 150  
Hodgenville, KY 42748

**RE: New Pool 3 Water Treatment Plant Project Update**

Dear Damon:

I wanted to update you on the new Pool 3 Water Treatment Plant project, including the 30-mile, 42-inch diameter transmission main connecting the plant to Kentucky American Water's distribution system in Fayette County, and 3 million-gallon storage tank and booster station.

Easement acquisition along the pipeline route was completed in November 2009. On February 4, 2010, we installed the final connection of 42-inch pipe in Franklin County, thus completing the construction phase of the pipeline portion of this water supply project. Hydrostatic pressure testing of the pipeline is ongoing by filling the water line from the Fayette County connection point.

The 3 million-gallon storage tank and booster pump station in Franklin County is complete, and initial testing of electrical equipment and piping is ongoing. The 20 million-gallon per day water treatment plant and intake station construction is continues. All of the buildings are under roof with equipment installation occurring at this time. The intake construction is complete in the river and pump installation is under way.

The entire project remains on schedule for substantial completion in late summer 2010, and on budget for the current projection at \$163 million. I'd be happy to show you around the new facilities at your convenience.

Kentucky American Water remains interested in negotiating a regional partnership with any individual utility or with the Bluegrass Water Supply Commission. The economies of scale through a regional supply effort still exist and the opportunities are still available even as construction is nearing completion. While the current capacity is designed solely for the

needs of Kentucky American Water, the plant is designed to easily and inexpensively be expanded as necessary. I am also available to discuss partnerships with you at your convenience.

I look forward to talking to you soon. Please contact me at (859) 268-6373 or via e-mail at [linda.bridwell@amwater.com](mailto:linda.bridwell@amwater.com).

Sincerely,

A handwritten signature in cursive script that reads "Linda Bridwell".

Linda Bridwell, P.E.  
Project Delivery Manager Water Supply

Enclosures



KENTUCKY  
AMERICAN WATER

Kentucky American Water  
2300 Richmond Road  
Lexington, KY 40502  
amwater.com

April 7, 2010

Mr. George Rest, PE  
O'Brien & Gere Engineers  
8401 Corporate Dr., Suite 400  
Landover, MD 20785

**RE: New Pool 3 Water Treatment Plant Project Update**

Dear George:

I wanted to update you on the new Pool 3 Water Treatment Plant project, including the 30-mile, 42-inch diameter transmission main connecting the plant to Kentucky American Water's distribution system in Fayette County, and 3 million-gallon storage tank and booster station.

Easement acquisition along the pipeline route was completed in November 2009. On February 4, 2010, we installed the final connection of 42-inch pipe in Franklin County, thus completing the construction phase of the pipeline portion of this water supply project. Hydrostatic pressure testing of the pipeline is ongoing by filling the water line from the Fayette County connection point.

The 3 million-gallon storage tank and booster pump station in Franklin County is complete, and initial testing of electrical equipment and piping is ongoing. The 20 million-gallon per day water treatment plant and intake station construction is continues. All of the buildings are under roof with equipment installation occurring at this time. The intake construction is complete in the river and pump installation is under way.

The entire project remains on schedule for substantial completion in late summer 2010, and on budget for the current projection at \$163 million. I'd be happy to show you around the new facilities at your convenience.

Kentucky American Water remains interested in negotiating a regional partnership with any individual utility or with the Bluegrass Water Supply Commission. The economies of scale through a regional supply effort still exist and the opportunities are still available even as construction is nearing completion. While the current capacity is designed solely for the needs of Kentucky American Water, the plant is designed to easily and inexpensively be expanded as necessary. I am also available to discuss partnerships with you at your convenience.



I look forward to talking to you soon. Please contact me at (859) 268-6373 or via e-mail at [linda.bridwell@amwater.com](mailto:linda.bridwell@amwater.com).

Sincerely,

A handwritten signature in cursive script that reads "Linda Bridwell".

Linda Bridwell, P.E.  
Project Delivery Manager Water Supply

Enclosures



KENTUCKY  
AMERICAN WATER

Kentucky American Water  
2300 Richmond Road  
Lexington, KY 40502  
amwater.com

April 7, 2010

Donna Powell  
BWSC Vice-Chair  
116 Pin Oak Drive  
Lancaster, KY 40444

**RE: New Pool 3 Water Treatment Plant Project Update**

Dear Donna:

I wanted to update you on the new Pool 3 Water Treatment Plant project, including the 30-mile, 42-inch diameter transmission main connecting the plant to Kentucky American Water's distribution system in Fayette County, and 3 million-gallon storage tank and booster station.

Easement acquisition along the pipeline route was completed in November 2009. On February 4, 2010, we installed the final connection of 42-inch pipe in Franklin County, thus completing the construction phase of the pipeline portion of this water supply project. Hydrostatic pressure testing of the pipeline is ongoing by filling the water line from the Fayette County connection point.

The 3 million-gallon storage tank and booster pump station in Franklin County is complete, and initial testing of electrical equipment and piping is ongoing. The 20 million-gallon per day water treatment plant and intake station construction is continues. All of the buildings are under roof with equipment installation occurring at this time. The intake construction is complete in the river and pump installation is under way.

The entire project remains on schedule for substantial completion in late summer 2010, and on budget for the current projection at \$163 million. I'd be happy to show you around the new facilities at your convenience.

Kentucky American Water remains interested in negotiating a regional partnership with any individual utility or with the Bluegrass Water Supply Commission. The economies of scale through a regional supply effort still exist and the opportunities are still available even as construction is nearing completion. While the current capacity is designed solely for the needs of Kentucky American Water, the plant is designed to easily and inexpensively be expanded as necessary. I am also available to discuss partnerships with you at your convenience.

I look forward to talking to you soon. Please contact me at (859) 268-6373 or via e-mail at [linda.bridwell@amwater.com](mailto:linda.bridwell@amwater.com).

Sincerely,

A handwritten signature in black ink that reads "Linda Bridwell". The signature is written in a cursive style with a large initial "L".

Linda Bridwell, P.E.  
Project Delivery Manager Water Supply

Enclosures



KENTUCKY  
AMERICAN WATER

Kentucky American Water  
2300 Richmond Road  
Lexington, KY 40502  
amwater.com

April 7, 2010

Mr. Don Blackburn  
Berea Municipal Utilities  
P.O. Box 926  
Berea, KY 40403

**RE: New Pool 3 Water Treatment Plant Project Update**

Dear Don:

I wanted to update you on the new Pool 3 Water Treatment Plant project, including the 30-mile, 42-inch diameter transmission main connecting the plant to Kentucky American Water's distribution system in Fayette County, and 3 million-gallon storage tank and booster station.

Easement acquisition along the pipeline route was completed in November 2009. On February 4, 2010, we installed the final connection of 42-inch pipe in Franklin County, thus completing the construction phase of the pipeline portion of this water supply project. Hydrostatic pressure testing of the pipeline is ongoing by filling the water line from the Fayette County connection point.

The 3 million-gallon storage tank and booster pump station in Franklin County is complete, and initial testing of electrical equipment and piping is ongoing. The 20 million-gallon per day water treatment plant and intake station construction is continues. All of the buildings are under roof with equipment installation occurring at this time. The intake construction is complete in the river and pump installation is under way.

The entire project remains on schedule for substantial completion in late summer 2010, and on budget for the current projection at \$163 million. I'd be happy to show you around the new facilities at your convenience.

Kentucky American Water remains interested in negotiating a regional partnership with any individual utility or with the Bluegrass Water Supply Commission. The economies of scale through a regional supply effort still exist and the opportunities are still available even as construction is nearing completion. While the current capacity is designed solely for the needs of Kentucky American Water, the plant is designed to easily and inexpensively be expanded as necessary. I am also available to discuss partnerships with you at your convenience.

I look forward to talking to you soon. Please contact me at (859) 268-6373 or via e-mail at [linda.bridwell@amwater.com](mailto:linda.bridwell@amwater.com).

Sincerely,

A handwritten signature in cursive script that reads "Linda Bridwell". The signature is written in black ink and is positioned above the typed name and title.

Linda Bridwell, P.E.  
Project Delivery Manager Water Supply

Enclosures



KENTUCKY  
AMERICAN WATER

Kentucky American Water  
2300 Richmond Road  
Lexington, KY 40502  
amwater.com

April 7, 2010

Mr. Robert Ware  
206 Village Drive  
Lawrenceburg, KY 40342

**RE: New Pool 3 Water Treatment Plant Project Update**

Dear Bob:

I wanted to update you on the new Pool 3 Water Treatment Plant project, including the 30-mile, 42-inch diameter transmission main connecting the plant to Kentucky American Water's distribution system in Fayette County, and 3 million-gallon storage tank and booster station.

Easement acquisition along the pipeline route was completed in November 2009. On February 4, 2010, we installed the final connection of 42-inch pipe in Franklin County, thus completing the construction phase of the pipeline portion of this water supply project. Hydrostatic pressure testing of the pipeline is ongoing by filling the water line from the Fayette County connection point.

The 3 million-gallon storage tank and booster pump station in Franklin County is complete, and initial testing of electrical equipment and piping is ongoing. The 20 million-gallon per day water treatment plant and intake station construction is continues. All of the buildings are under roof with equipment installation occurring at this time. The intake construction is complete in the river and pump installation is under way.

The entire project remains on schedule for substantial completion in late summer 2010, and on budget for the current projection at \$163 million. I'd be happy to show you around the new facilities at your convenience.

Kentucky American Water remains interested in negotiating a regional partnership with any individual utility or with the Bluegrass Water Supply Commission. The economies of scale through a regional supply effort still exist and the opportunities are still available even as construction is nearing completion. While the current capacity is designed solely for the needs of Kentucky American Water, the plant is designed to easily and inexpensively be

expanded as necessary. I am also available to discuss partnerships with you at your convenience.

I look forward to talking to you soon. Please contact me at (859) 268-6373 or via e-mail at [linda.bridwell@amwater.com](mailto:linda.bridwell@amwater.com).

Sincerely,

A handwritten signature in cursive script that reads "Linda Bridwell".

Linda Bridwell, P.E.  
Project Delivery Manager Water Supply

Enclosures



"Bob Pam Ware"  
<bpware@roadrunner.com>  
04/12/2010 10:20 AM

To <linda.bridwell@amwater.com>  
cc  
bcc  
Subject Project Update

Linda:

Thanks so much for the update on the status of the new water plant and transmission main. I would be interested in taking you up on a tour of the facilities at your convenience. Maybe I could contact Steve Reeder and include a look at the construction status at Dam 3 at the same time. Since I was not reappointed to KRA, I have not been in the loop for a while.

I have been following all of the hoopla regarding the rate increase before the PSC in the Herald-Leader. It was to be expected. It appears that Newberry is taking most of the hits in the news coverage. If the current meteorological trends last into the summer, KAW will shift from corporate villain to the savior of Central KY and the WEG. Just don't expect the Herald editorial board to ever acknowledge this.

I saw where Cheryl Taylor is now with KAW. I was retired before Cheryl started working with DEP, but have only heard good things about her. I wonder who will replace her in LFUCG?

Congratulations on the progress with the facilities development. It is rare to keep a project of this magnitude on schedule and on budget. But I would expect nothing less from you.

Keep in touch.

Bob Ware





"Tom Calkins"  
<tom\_calkins@nicholasville.org>

04/07/2010 10:19 AM

To "Linda Bridwell" <bridwell@kawc.com>

cc

bcc

Subject BWSC Mailing Labels - updated 3-9-2010.doc

I got this from Don.....there aren't many folks left....Also, I saw where Harrodsburg received a federal earmark for their WWTP and they are going to expand the WTP.....?? I thought that KAW was going to buy it?



Tom BWSC Mailing Labels - updated 3-9-2010.doc



"Don Hassall"  
<dhasall@bgadd.org>  
04/07/2010 08:38 AM

To <Linda.Bridwell@amwater.com>  
cc  
bcc

Subject RE: Thursday, September 4 BWSC Committee-of-the-whole  
to discuss reshaping the BWSC mission statement

History: This message has been replied to.

Linda:

Good to hear from you.

You're almost correct.

Mayor Burtner's name is misspelled in your list.

Dave Pearce has retired and Mt. Sterling. Even though Rick Fletcher has replaced Dave at the MSWSC, Rick was not named to the BWSC, so I am concluding the Mt. Sterling is no longer represented on the BWSC.

Do you have (or need) mailing addresses?

Don

**From:** Linda.Bridwell@amwater.com [mailto:Linda.Bridwell@amwater.com]  
**Sent:** Monday, April 05, 2010 3:32 PM  
**To:** dhasall@bgadd.org  
**Subject:** Re: Thursday, September 4 BWSC Committee-of-the-whole to discuss reshaping the BWSC mission statement

Don,

I'm in the process of preparing a letter to all of the BWSC members updating them on the project status, offering to give tours and reiterating KAW's interest in partnering with others in the region either through the BWSC or individual utilities. I wanted to make sure I had all of the Commission members correct:

Mayor Burtner  
Tom Calkins  
Kevin Crump,  
Dave Pearce  
Charlie Martin  
Don Blackburn  
Billy Jenkins  
David Billings  
Donna Powell

I wasn't sure if we had a contact in Cynthiana, or if the KRA ever re-appointed an ex-officio member. I'll copy you and Damon as well.

Thanks!

Linda

Linda Bridwell, PE  
Manager - Water Supply  
Kentucky American Water  
2300 Richmond Road  
Lexington, KY 40502  
Tel: 859-268-6373  
Fax: 859-268-6374

"Don Hassall"  
<dhassall@bgadd.org>

To: "Hassall, Don R." <dhassall@bgadd.org>  
cc

09/02/2008 12:26 PM

Subject: Thursday, September 4 BWSC Committee-of-the-whole to discuss reshaping the BWSC  
mission statement

Friends:

In the way of news, be aware that Bob Riddle has resigned from the BWSC. In his letter of resignation, Bob suggested that the Georgetown MWSS recommend to Georgetown Mayor Sames the appointment of Billy Jenkins to take his (Bob's) place on the BWS Commission. The GMWSS has acted in accordance with Bob Riddle's suggestion. Mr. Jenkins spoke to Mayor Sames this morning and she is agreeable to naming Mr. Jenkins to fill the vacancy created by the resignation of Mr. Riddle. A letter to that effect may even arrive here prior to the 1:30 p.m. meeting of the BWSC Committee-of-the whole here at the ADD on this Thursday, September 4.

Bill Grier has been replaced by Governor Beshear on the Kentucky River Authority. In Mr. Grier's place, the governor has appointed Madison County's Dr. Don Haney. Further, Governor has replaced Lee County Judge-executive Reece with Franklin County Judge-executive Ted Collins. The DLG ex-officio slot on the BWSC has not yet been filled by DLG Commissioner Tony Wilder, the former Boyle County j-e.

Likely attendees at the Thursday afternoon meeting are as follows:

Mayor Ed Burtner  
Tom Calkins  
Kevin Crump  
Dave Pearce  
Donald Blackburn  
Billy Jenkins  
Bob Ware  
Vernon Azevedo

Messrs Martin and Billings have sent their regrets. Ms. Powell will attend if/as her schedule will permit. Mr. Talley will attend as his schedule will permit. KAWC has been made aware of the meeting as has Andy Mead of the *Herald-Leader* . I plan to attend as does my associate David Duttlinger.

Don Hassall

PS So you can begin to mull over concept of possible changes to the **BWSC mission statement**, the existing statement is reproduced below:

*"The Bluegrass Water Supply Commission will ensure adequate potable water supply and treatment reliability under any conditions to utility customers and contractual partners. BWSC will maximize utilization of the Kentucky River as a raw water source, maintain reasonable rates, and ensure compliance with all water quality and other regulations."*

At the July 28 BWSC meeting, there was considerable discussion about the BWSC's continuing on (at least for a while) and to turn its efforts being an advocate for water system connectivity.



KENTUCKY  
AMERICAN WATER

2300 Richmond Road  
Lexington, Kentucky 40502

P 859-268-6333  
F 859-268-6327

[www.amwater.com](http://www.amwater.com)

May 19, 2008

Honorable Ed Burtner  
Mayor, City of Winchester  
P.O. Box 40  
Winchester, KY 40392

Dear Mayor Burtner,

Thank you again for the opportunity to discuss a possible arrangement between Kentucky American Water (KAW) and Winchester Municipal Utilities (WMU). At our April 14, 2008 meeting, you requested that KAW give you a proposal for either a 1.5 million gallons per day (mgd) or 3.0 mgd capacity connection for ten years. Although this letter does not constitute a legally binding offer, it does outline the basic financial terms of a potential cooperative relationship between us on the water supply. If you desire to move forward with KAW, we would need to negotiate a mutually acceptable written agreement. Please note that any such agreement would be subject to the approval of the Kentucky Public Service Commission.

There are several general cost components of supplying water to WMU – the cost of constructing water mains to connect WMU to KAW's water system; the cost of constructing facilities to expand KAW's water supply capacity to accommodate WMU's water supply needs; and the ongoing operational and maintenance expense. At the meeting, we provided estimated construction costs for facilities to transmit water to WMU. For 1.5 mgd, we estimated 12,000 feet of 16-inch main at an approximate cost of \$1,000,000 would be required. For 3.0 mgd, additional 61,500 feet of 16-inch pipe was required along US 60 at an estimated \$7,562,000.

Additionally, KAW reviewed whether we could provide water over the ten-year period without increasing the size of the new water treatment facilities. Even in the short time frame, we can not guarantee water service to WMU without expanding the new Pool 3 WTP. Otherwise, we would be putting our own customers at risk. We have therefore calculated the costs based on WMU being provided a guaranteed capacity in the new WTP. WMU would purchase water at a cost that covers all of the capital and operating expenses proportionate to capacity in the plant.

At either a 1.5 mgd or 3.0 mgd capacity over ten years, WMU would be required to pay costs equal to 1.5/25 or 3.0/25 of the new plant, fixed annual operating costs (personnel, lighting, security, general maintenance, taxes, etc.) and variable expenses based on fuel and power, and chemicals at the new plant. The capital costs would be fixed based on the actual final capital expenditures, currently estimated at \$168,000,000 based on the awarded bid pricing. The operating costs would be estimated each year for monthly billing, and "trued-up" based on actual costs and actual water utilized, with a baseline amount of water to be utilized. A schedule of the annual estimated costs and equivalent estimated cost of water in per thousand gallons for each alternative is attached as Schedule A based on a 1.5 mgd or 3.0 mgd water utilized daily. The contract will have to be renegotiated at the end of either the 10 or 30 year terms proposed by KAWC.



KENTUCKY  
AMERICAN WATER

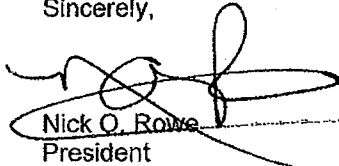
Because the recovery of all capital expenses is relatively more expensive over ten years, KAW also prepared a cost schedule based on a 30-year contract and is attached as Schedule B.

KAW does not anticipate that special considerations for conservation or demand reductions will be required. KAW currently asks its wholesale water customers to follow its demand management plan when implemented for our retail customers; however, with the new plant construction we anticipate only needing moderate restrictions (odd-even watering) during extreme, severe drought conditions.

All these figures are estimates, given that we cannot know final costs until construction is complete and the plant is operational. They are included here to further our discussions. While this letter does not constitute a legal offer, we want to continue to work with you to reach a mutually acceptable solution to both of our shortages. We must, however, have a firm answer from you not later than close of business on Monday, June 2, 2008, as to whether you will partner with us. After that, given the schedules the contractors are requiring, KAW will be forced to move ahead with its plans to build a plant sized for our existing customers. We will remain open, however, to further discussions, although the cost of additional capacity after June 2 is likely to be more expensive because of rising construction costs.

Please contact me at (859) 268-6333 or Linda Bridwell at (859) 268-6373 at your earliest convenience to discuss the information. We look forward to working with you.

Sincerely,



Nick O. Rowe  
President

c: L. C. Bridwell  
A. W. Turner, Jr.

Enclosures

Winchester Municipal Utilities Purchased Water										
Year	1.5 MGD Capacity					3.0 MGD Capacity				
	Fixed Cost		Variable O & M Cost (Assumes 1.5 mgd)		Equivalent Rate per Thousand Gallons	Fixed Cost		Variable O & M Cost (Assumes 3.0 mgd)		Equivalent Rate per Thousand Gallons
	Capital	Fixed O & M	Capital	Fixed O & M		Capital	Fixed O & M	Capital	Fixed O & M	
1	\$1,795,800	\$129,816	\$229,928	\$3.94	\$4,493,065	\$259,632	\$459,857	\$4.76		
2	\$1,795,410	\$131,955	\$236,004	\$3.95	\$4,492,090	\$263,910	\$472,010	\$4.77		
3	\$1,794,976	\$134,159	\$242,263	\$3.97	\$4,491,008	\$268,317	\$484,527	\$4.79		
4	\$1,794,496	\$136,428	\$248,710	\$3.98	\$4,489,803	\$272,856	\$497,421	\$4.80		
5	\$1,793,962	\$138,765	\$255,350	\$4.00	\$4,488,465	\$277,531	\$510,701	\$4.82		
6	\$1,793,365	\$141,173	\$262,189	\$4.01	\$4,486,981	\$282,346	\$524,379	\$4.83		
7	\$1,792,710	\$143,663	\$269,233	\$4.03	\$4,485,331	\$287,306	\$538,468	\$4.85		
8	\$1,791,977	\$146,207	\$276,489	\$4.05	\$4,483,497	\$292,414	\$552,980	\$4.87		
9	\$1,791,164	\$148,838	\$283,962	\$4.06	\$4,481,462	\$297,676	\$567,927	\$4.88		
10	\$1,790,258	\$151,548	\$291,660	\$4.08	\$4,479,198	\$303,095	\$583,322	\$4.90		

5/19/2008  
Winchester Cost Schedule\10-year  
FOR DISCUSSION PURPOSES ONLY

Kentucky American Water Proposal to Winchester Municipal Utilities  
Schedule B

Winchester Municipal Utilities Purchased Water								
Year	1.5 MGD Capacity				3.0 MGD Capacity			
	Fixed Cost		Variable O & M Cost Component (Assumes 1.5 mgd)	Equivalent Rate per Thousand Gallons	Fixed Cost		Variable O & M Cost Component (Assumes 3.0 mgd)	Equivalent Rate per Thousand Gallons
	Component				Component			
	Capital	Fixed O & M	Capital	Fixed O & M	Capital	Fixed O & M		
1	\$1,222,910	\$129,816	\$229,928	\$2.89	\$3,059,704	\$269,632	\$459,857	\$3.45
2	\$1,222,878	\$131,955	\$236,004	\$2.91	\$3,059,623	\$263,910	\$472,010	\$3.47
3	\$1,222,842	\$134,159	\$242,263	\$2.92	\$3,059,533	\$268,317	\$484,527	\$3.48
4	\$1,222,602	\$138,428	\$248,710	\$2.94	\$3,059,433	\$272,856	\$497,421	\$3.50
5	\$1,222,758	\$138,765	\$255,350	\$2.95	\$3,059,322	\$277,531	\$510,701	\$3.51
6	\$1,222,709	\$141,173	\$262,189	\$2.97	\$3,059,200	\$282,346	\$524,379	\$3.54
7	\$1,222,654	\$143,653	\$269,233	\$2.99	\$3,059,062	\$287,306	\$538,468	\$3.55
8	\$1,222,593	\$146,207	\$276,489	\$3.01	\$3,058,910	\$292,414	\$552,980	\$3.57
9	\$1,222,525	\$148,838	\$283,962	\$3.02	\$3,058,742	\$297,676	\$567,927	\$3.58
10	\$1,222,451	\$151,548	\$291,660	\$3.04	\$3,058,554	\$303,095	\$583,322	\$3.60
11	\$1,222,367	\$154,399	\$299,590	\$3.06	\$3,058,347	\$308,671	\$599,179	\$3.62
12	\$1,222,275	\$157,213	\$307,756	\$3.08	\$3,058,115	\$314,427	\$615,512	\$3.64
13	\$1,222,173	\$160,175	\$316,188	\$3.10	\$3,057,857	\$320,349	\$632,335	\$3.66
14	\$1,222,058	\$163,224	\$324,831	\$3.12	\$3,057,573	\$326,449	\$649,663	\$3.68
15	\$1,221,932	\$166,366	\$333,755	\$3.15	\$3,057,255	\$332,732	\$667,510	\$3.71
16	\$1,221,791	\$169,601	\$342,946	\$3.17	\$3,056,903	\$339,203	\$685,893	\$3.73
17	\$1,221,633	\$172,934	\$352,414	\$3.19	\$3,056,511	\$346,868	\$704,827	\$3.75
18	\$1,221,460	\$176,367	\$362,165	\$3.21	\$3,056,076	\$352,733	\$724,329	\$3.77
19	\$1,221,267	\$179,902	\$372,208	\$3.24	\$3,055,592	\$359,805	\$744,417	\$3.80
20	\$1,221,052	\$183,544	\$382,553	\$3.26	\$3,055,056	\$367,088	\$765,107	\$3.82
21	\$1,220,814	\$187,295	\$393,209	\$3.29	\$3,054,459	\$374,590	\$786,417	\$3.85
22	\$1,220,549	\$191,158	\$404,184	\$3.32	\$3,053,796	\$382,317	\$808,367	\$3.88
23	\$1,220,255	\$195,138	\$415,488	\$3.34	\$3,053,060	\$390,276	\$830,976	\$3.90
24	\$1,219,928	\$199,237	\$427,131	\$3.37	\$3,052,241	\$398,473	\$854,263	\$3.93
25	\$1,219,565	\$203,458	\$439,124	\$3.40	\$3,051,333	\$406,917	\$878,248	\$3.96
26	\$1,219,160	\$207,807	\$451,477	\$3.43	\$3,050,323	\$415,613	\$902,953	\$3.99
27	\$1,218,713	\$212,288	\$464,200	\$3.46	\$3,049,201	\$424,571	\$928,399	\$4.02
28	\$1,218,215	\$216,899	\$477,304	\$3.49	\$3,047,954	\$433,798	\$954,609	\$4.05
29	\$1,217,661	\$221,650	\$490,802	\$3.53	\$3,046,569	\$443,301	\$981,604	\$4.08
30	\$1,217,048	\$226,545	\$504,705	\$3.58	\$3,045,032	\$453,089	\$1,009,410	\$4.12



**KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
LFUCG'S SECOND REQUEST FOR INFORMATION**

---

**Witness: Sheila Miller/Linda C. Bridwell**

6. Please provide a list of all of the ratepayers located in the Central Division (other than Lexington) who pay for any public fire hydrants.

**Response:**

See attached.

For the electronic version, refer to KAW\_R\_LFUCGDR2#6\_052810.pdf.

Kentucky American Water Company  
LFUCG DR2#6

District	Premise #	Rate Code	Hydrant Quantity	Account Name	Service Address	City	State	Premise Status - AP=Active	Account Status - AC=Active
1210	120027669	F8M1A	14	City Of Sadieville	Hydrants	Sadieville	KY	AP	AC
1210	120027670	F8M1A	1	Scott Co Bd Of Ed	Hydrants	Georgetown	KY	AP	AC
1210	120027673	F8M1A	85	City Of Georgetown	Hydrants	Georgetown	KY	AP	AC
1210	120027675	F8M1A	124	Scott County Fiscal Court	Hydrants	Georgetown	KY	AP	AC
1210	120027677	F8M1A	35	Scott County Fiscal Court	Mallard Pt Hyds	Georgetown	KY	AP	AC
1210	120027684	F8M1A	13	Scott County Fiscal Court	Harbor Village	Georgetown	KY	AP	AC
1210	120027687	F8M1A	1	Scott County Fiscal Court	Lisle Rd	Georgetown	KY	AP	AC
1210	120029770	F8M1A	58	University of Kentucky	Newtown Rd HYDTS	Lexington	KY	AP	AC
1210	120029771	F8M1A	11	Eastern State Hosp	W 4th St HYDTS	Lexington	KY	AP	AC
1210	120030003	F8M1A	23	Fayette Co Bd Of Ed	400 Lafayette Pky APT# Hydts	Lexington	KY	AP	AC
1210	120030005	F8M1A	40	University Of Ky	Comptroller Off APT# Hydts	Lexington	KY	AP	AC
1210	120030035	F8M1A	30	Bourbon Co Fiscal Ct	Ct Court House APT# Hydts	Paris	KY	AP	AC
1210	120030036	F8M1A	4	Glenn Dorroh Health	Newtown Pike	Lexington	KY	AP	AC
1210	120030037	F8M1A	2	University Of Ky	Tobacco Researh APT# Hydts	Lexington	KY	AP	AC
1210	120030056	F8M1A	12	KY STATE HORSE PARK	4089 Iron Works Rd	Lexington	KY	AP	AC
1210	120030062	F8M1A	1	University Of Ky	Newtown Pike	Lexington	KY	AP	AC
1210	120030070	F8M1A	3	Univ Of Ky Housing,	Univ&Shawneetwn APT# Hydts	Lexington	KY	AP	AC
1210	120030086	F8M1A	2	Council Of St Govt	Iron Works Rd	Lexington	KY	AP	AC
1210	120030092	F8M1A	4	Us Postal Service	Nandino Blvd APT# Hydts	Lexington	KY	AP	AC
1210	120030107	F8M1A	4	WOODFORD FISCAL COURT	RT 5 Gayborne Way	Versailles	KY	AP	AC
1210	120030133	F8M1A	1	University Of Ky	Nicholasville Rd	Lexington	KY	AP	AC
1210	120030150	F8M1A	18	Blackburn Corr Complex	3111 Spurr Rd	Lexington	KY	AP	AC
1210	120030159	F8M1A	1	UNIVERSITY OF KY	Medical Ctr Dr	Lexington	KY	AP	AC
1210	120030163	F8M1A	1	University Of Kentucky, Tim Ge	University Dr	Lexington	KY	AP	AC
1210	120030168	F8M1A	6	Ky State Horse Park	Iron Works Pike HYDT	Lexington	KY	AP	AC
1210	120030190	F8M1A	1	Council Of State Govmts	Iron Works Rd	Lexington	KY	AP	AC
1210	120030197	F8M1A	2	Fayette Co Bd Of Ed	Tates Creek Sch	Lexington	KY	AP	AC
1210	120030272	F8M1A	14	Clark Co Fiscal Court	Combs Ferry Rd	Winchester	KY	AP	AC
1210	120123278	F8M1A	3	Cherry Blossom Development Co	Cherry Blossom Way HYDTS	Georgetown	KY	AP	AC
1210	120127079	F8M1A	1	SCOTT COUNTY FISCAL COURT	N Mt Gilead Chur Rd #HYDT	Sadieville	KY	AP	AC
1210	120127765	F8M1A	2	City of Georgetown	ST. A #HYDRNT	GEORGETOWN	KY	AP	AC
1210	120127766	F8M1A	7	City of Georgetown	Cherry Blossom HYDNT	Georgetown	KY	AP	AC
1210	120131798	F8M1A	2	City Of Georgetown	Technology Ct #HYDRT	Georgetown	KY	AP	AC
1210	120133726	F8M1A	1	Fasigtipton	2400 Newtown Pi HYDT	Lexington	KY	AP	AC

**KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
LFUCG'S SECOND REQUEST FOR INFORMATION**

---

**Witness: Keith Cartier**

7. When does KAWC anticipate that it will be able to provide maintenance and testing information pertaining to its public fire hydrants to Lexington in an electronic format?

**Response:**

This information is already reported to the Lexington Fire Department in an electronic format each month.

For the electronic version, refer to KAW\_R\_LFUCGDR2#7\_052810.pdf.

**KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
LFUCG'S SECOND REQUEST FOR INFORMATION**

---

**Witness: Keith Cartier/Michael A. Miller**

8. When does KAWC anticipate that it will be able to provide electronic billing information to Lexington and other major customers?

**Response:**

Kentucky American Water receives billing services through American Water Service Company. Recently, web self service was implemented to provide customers a self-service tool. A new planned Customer Information System (CIS) will improve and support enhancement of service offerings in many areas, such as e-services, and may include electronic bill presentment. Deployment of the new CIS is currently projected for 2014.

For the electronic version, refer to KAW\_R\_LFUCG2#8\_052810.pdf.

**KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
LFUCG'S SECOND REQUEST FOR INFORMATION**

---

**Witness: Keith Cartier**

9. Have all of the public fire hydrants been repainted in compliance with NFPA standards regarding color codes? If not, when does KAWC anticipate that this will be done?
  - a. How timely is a public fire hydrant repainted in the event that its flow testing results require a change in color code?

**Response:**

Yes, all known public fire hydrants within Fayette Co. have been painted in accordance to the NFPA standards.

- a. Generally, if flow tests indicate the color code of the hydrant needs changed, then a work order will be issued for the hydrant to be repainted within 60 to 90 days.

For the electronic version, refer to KAW\_R\_LFUCGDR2#9\_052810.pdf.

**KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2010-00036  
LFUCG'S SECOND REQUEST FOR INFORMATION**

---

**Witness: Linda C. Bridwell**

10. Please explain in detail the process that KAWC utilized to select the contractors for the construction of the new treatment plant and related pipeline. Were all of the selected contractors the lowest bidder for each respective segment of the work? If not please explain why and provide the difference between the amount of the selected contractor and the lowest bidder. Please provide all of the documents related to this request.

**Response:**

Kentucky American Water pre-qualified all of the contractors prior to the bid selection process. Initially, Kentucky American Water developed a list of potentially qualified contractors for each of the three segments of the work to be performed. The three lists were developed from a database maintained by American Water, contact information from the engineering consultants on the three contracts, material suppliers, and communications with local contractors. Each contractor on the list was asked to submit a statement of qualifications that included its bonding capacity and financial statements, work performance references, injury frequency rates, whether or not they had any outstanding regulatory or legal actions pending, insurance coverage and work experience. After a review of all of the statements of qualifications, contractors were removed from the list if they had insufficient bonding capacity based on the engineering probable estimate of the cost of the project component, poor work safety records, insufficient experience with a similar project in scope and complexity, outstanding regulatory or legal actions that were determined to be serious, and poor work performance records. After this effort, seven contractors remained on the list for the treatment plant, twelve remained for the pipeline construction, and twelve contractors remained for the booster station and tank construction. Contractors were not required to submit statements of qualifications for only one construction contract if they were qualified in more than one area, but had to demonstrate adequate ability to perform more than one contract simultaneously if they were the successful bidder.

Kentucky American Water contracted three separate engineering consultants to design each of the segments of construction. A detailed set of plans and specifications were developed for each project. Once the contractors were pre-qualified, an Invitation to Bid was sent to each contractor. A full set of plans and specifications was sent to each contractor, with additional sets available at Lynn Blueprint for reproduction. The bid package also included a sample agreement that the successful contractor would be required to execute. The transmission main portion was split into two segments although a bid package was combined and sent to each contractor. Contractors then had the option of bidding on one or both segments of the transmission main.

Water Treatment plant contractors were required to bid Phase 1 as a 20 MGD facility with an additional Phase 2 bid to expand the facilities up to 25 MGD. The low bidder on Phase 1 was also the low bidder when Phase 2 was included, although only Phase 1 was awarded.

Booster station and tank contractors were also required to bid a Phase 1 and Phase 2. The lowest bid ranking did not change with the addition of Phase 2 as well.

The projects were generally bid as lump sum, with some alternatives included in each package. For example, Kentucky American Water had not received the right-of-way encroachment permit for the crossing of Interstate 75 at Ironworks Road. Contractors were asked to bid an alternate to open cut a portion of the right-of-way if permitted by the Kentucky Transportation Cabinet. Equipment was either required to have defined specifications or in some cases, specific preferred manufacturers were indicated. Contractors were encouraged to provide alternatives for further evaluation.

Further inquiries for bidding were evaluated as received. A mandatory pre-bid meeting was held on each project separately and attended by American Water Construction management, Kentucky American Water engineering staff, engineering consultants, potential contractors, subcontractors as potential contractors deemed appropriate, and some equipment manufacturers. Bids were received on separate days and held in Kentucky American Water's office by an outside counsel until the time of the bid opening. Bids were then opened with the outside counsel witness to the bid opening. Once bids were received, the bids were evaluated for completion and accuracy, and all contractors were notified whether or not they were the apparent low bidder. A bid analysis was undertaken to determine if rejection or acceptance of alternatives changed the bid rankings.

Because Case No. 2007-00134 extended without resolution beyond the bid hold date, the low bidders were each asked to provide the cost for extending the bid hold period another 90 and 120 days without a revision to the Final Completion date in the original bid package. In each instance, the increase in the extension of the bid hold period was less than the difference between low bidder and the second bidder. Kentucky American Water and American Water jointly reviewed the bid hold extension costs and support documentation for appropriateness based on market conditions. In each instance, it was determined to accept the increase from the extension of the bid hold amount and extend the bids with the apparent low bidders.

Upon receipt of the Order granting the Certificate of Convenience and Necessity in Case No. 2007-00134, a detailed bid analyses were completed to review alternatives within the bids received. Those bid analyses are attached, but they are confidential and proprietary and are the subject of a Petition for Confidential Treatment filed contemporaneously with this response and will be provided to those who execute a confidentiality agreement.

Kentucky American Water held extensive conversations with the low bidders to assure they had a thorough understanding of the project scope and owner expectations.

Kentucky American Water then issued a Notice to Award to the three contractors, thus accepting the bids within the extended bid hold period. Kentucky American Water then executed contracts with each of the three contractors.

In each of the three components, Kentucky American Water awarded the contract to the lowest bid contractor received even with the extended bid hold cost increases. In some instances, specific equipment was selected from alternative bids that was a slightly higher cost by the lowest contractor to maintain consistency of equipment across the project, but those selections did not revise the bid rankings among the contractors.

Documents relating to the bid process and bids received were extensive and were filed under confidential seal in Case No. 2007-00134. These documents include a copy of the bid package including the final plans and specifications, each of the addenda to each of the bid plans, copies of the bids received and correspondence regarding the bid development and evaluation. This filing was in response to Post-hearing Data Request Item 7 dated January 9, 2008. Parties to the case were able to review the information only after executing an agreement of confidentiality and are still available from Kentucky American Water under those terms. Kentucky American would be opposed to any request to remove confidential treatment of those documents at this time.

For the electronic version, refer to KAW\_R\_LFUCG2#10\_052810.pdf.