

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY-AMERICAN)
WATER COMPANY FOR AN ADJUSTMENT OF) CASE NO. 2010-00036
RATES SUPPORTED BY A FULLY)
FORECASTED TEST YEAR)

COMMISSION STAFF'S FIRST SET OF INFORMATION REQUESTS
TO THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

Pursuant to 807 KAR 5:001, Commission Staff requests that the Lexington-Fayette Urban County Government ("LFUCG") file with the Commission no later than July 9, 2010 the original, one paper copy, and an electronic copy of the information requested below. Responses to requests for information shall be appropriately bound, tabbed, and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

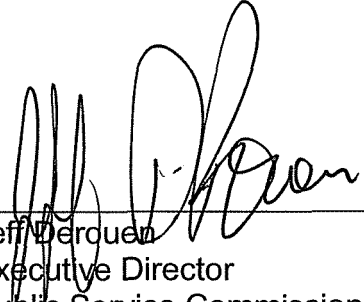
Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

The LFUCG shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though

correct when made, is now incorrect in any material respect. For any request to which the LFUCG fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to the Direct Testimony of Richard A. Baudino at 4. Provide a copy of the article referenced in footnote 1.
2. Refer to the Direct Testimony of Richard A. Baudino at 30 and Exhibit RAB-8.
 - a. Explain why it is appropriate to use five-year Treasury note yields in the CAPM analysis.
 - b. Explain why 30-year Treasury bond yields should not be considered in the CAPM analysis.



Jeff Berquan
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED: JUN 25 2010

cc: Parties of Record