COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY-AMERICAN WATER) COMPANY FOR A CERTIFICATE OF PUBLIC) CONVENIENCE AND NECESSITY AUTHORIZING) CASE NO. 2012-00096 THE CONSTRUCTION OF WATER TRANSMISSION) MAINS, BOOSTER PUMP STATION AND TWO) ELEVATED STORAGE TANKS FOR THE) NORTHERN DIVISION CONNECTION)

<u>KENTUCKY-AMERICAN WATER COMPANY'S SUPPLEMENTAL RESPONSES TO</u> <u>ITEM 67 OF THE COMMISSION STAFF'S FIRST SET OF INFORMATION</u> <u>REQUESTS, ITEM 6 OF THE ATTORNEY GENERAL'S FIRST SET OF</u> <u>INFORMATION REQUESTS, AND SUPPLEMENT TO EXHIBT C OF KAW'S</u> <u>APPLICATION</u>

Kentucky-American Water Company ("KAW") hereby provides supplemental responses to several of the discovery responses it filed on July 23, 2012 in this matter. Specifically, when KAW responded to Item 67 of the Commission Staff's First Set of Information Requests and Item 6 of the Attorney General's First Set of Information Requests, it explained that it had been able to reduce the total number of private easements necessary for the Northern Division Connection from twenty to eighteen by making minor adjustments to the pipeline route. KAW explained that it had already obtained 13 of the 18 required easements. KAW also explained that it expected to obtain the fourteenth easement in early August, which it did. Finally, KAW explained that it was evaluating a possible realignment of the route that would eliminate the need to obtain the final four easements by using state right-of-way instead.

Since KAW filed its data responses on July 23, 2012, it has evaluated and concluded that it is possible to realign a very short segment of the proposed pipeline (approximately 2000 feet of pipeline are affected) so that it is in state right-of-way which will eliminate the need to obtain the

final four easements. This realignment can be achieved with no additional increase to the cost of the project. In fact, the realigned route is shorter than the route originally proposed. KAW has now obtained all private easements that will be necessary for the Northern Division Connection. KAW's supplemental responses are attached along with a map showing the realignment.

When KAW filed its May 31, 2012 Application in this matter, it stated that it had obtained all necessary permits for the Northern Division Connection and it attached those permits as collective Exhibit C to the Application. Due to the fact that the realigned portion of the route is in state right-of-way, KAW sought and received a modification of the encroachment permits it had already obtained from the Kentucky Transportation Cabinet ("KTC") that were included in Exhibit C to the Application.¹ The KTC's September 5, 2012 cover letter approving the requested modifications and related papers are attached. KAW hereby supplements Exhibit C to its Application with the attached permit documentation.

Dated: September 28, 2012

Respectfully submitted,

STOLL KEENON OGDEN PLLC 300 West Vine Street, Suite 2100 Lexington, Kentucky 40507-1 801 Telephone: (859) 231-3000

By:

Lindsey W. Ingram III Monica H. Braun

Attorneys for Kentucky-American Water Company

¹ See Paragraph 14 of the Application and Exhibit C to the Application which contains Encroachment Permits 06-0165-12 and 06-0166-12.

CERTIFICATE OF COMPLIANCE

In accordance with Ordering Paragraph Nos. 10 and 16 of the Commission's March 20, 2012 Order, this certifies that Kentucky-American Water Company's September 28, 2012 electronic filing is a true and accurate copy of the documents being filed in paper medium; that the electronic filing has been transmitted to the Commission on September 28, 2012; that there are currently no parties that the Commission has excused from participating by electronic means in this proceeding; and that an original and one copy of the filing in paper medium are being handdelivered to the Commission on October 1, 2012.

By:

Attorneys for Kentucky-American Water Company

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY-AMERICAN WATER)COMPANY FOR A CERTIFICATE OF PUBLIC)CONVENIENCE AND NECESSITY AUTHORIZING)THE CONSTRUCTION OF WATER TRANSMISSION)MAINS, BOOSTER PUMP STATION AND TWO)ELEVATED STORAGE TANKS FOR THE)NORTHERN DIVISION CONNECTION)

CASE NO. 2012-00096

CERTIFICATION OF RESPONSES TO INFORMATION REQUESTS

This is to certify that I have supervised the preparation of Kentucky-American Water Company's September 26, 2012 Supplemental Responses to the Commission Staff's First Request for Information and the Attorney General's First Request for Information and that the supplemental responses are true and accurate to the best of my knowledge, information and belief formed after reasonable inquiry.

Date: 9-28-12

Cheryl Norton President Kentucky-American Water Company

Witness: Lance Williams

67. Describe the current status of easement acquisition for the proposed water transmission mains.

Response:

The original number of private easements needed for the Northern Division Connection was 20. KAW has continued to evaluate the route for this project since and in doing so it has determined that it has been able to make minor adjustments to the route to reduce the number of necessary private easements to 18. This adjustment occurred with minimal changes to the existing design. As of the date of this response, 13 of those 18 easements have been obtained. KAW expects to obtain a fourteenth easement in early August. KAW continues to evaluate the location of the pipeline route and has determined that it may be possible to avoid needing the final four easements by using existing right-of-way. This would reduce the percentage of private easements required for the entire route to less than five percent. KAW does not anticipate any elevated project costs due to these realignments.

Supplemental Response:

KAW did obtain the fourteenth private easement. Additionally, KAW has evaluated and concluded that it should realign a short segment of the pipeline route so that it is in state right-of-way instead of on private property. That realignment will eliminate the need for four private easements at no additional project cost increase. Therefore, KAW has now obtained all private easements necessary for the pipeline. A map showing the realignment is attached.













Witness: Lance Williams

6. Reference: Application. KAW states that 89% of the Northern Division Connection transmission will be installed in existing road rights-of-way. Describe the proposed contingency plan if the remaining 11% cannot be obtained and any elevated or incremental costs associated with that course of action.

Response:

The original number of private easements needed for the Northern Division Connection was 20. KAW has continued to evaluate the route for this project since and in doing so it has determined that it has been able to make minor adjustments to the route to reduce the number of necessary private easements to 18. This adjustment occurred with minimal changes to the existing design. As of the date of this response, 13 of those 18 easements have been obtained. KAW expects to obtain a fourteenth easement in early August. KAW continues to evaluate the location of the pipeline route and has determined that it may be possible to avoid needing the final four easements by using existing right-of-way. This would reduce the percentage of private easements required for the entire route to less than five percent. KAW does not anticipate any elevated project costs due to these realignments.

Supplemental Response:

KAW did obtain the fourteenth private easement. Additionally, KAW has evaluated and concluded that it should realign a short segment of the pipeline route so that it is in state right-of-way instead of on private property. That realignment will eliminate the need for four private easements at no additional project cost increase. Therefore, KAW has now obtained all private easements necessary for the pipeline. A map showing the realignment is attached to the supplemental response to Item No. 67 of Commission Staff's First Request for Information filed contemporaneously with this response.



TRANSPORTATION CABINET

Department of Highways District 6 Office 421 Buttermilk Pike Covington, KY 41017 (859) 341-2700 Michael W. Hancock, P.E. Secretary

Strand Associates Waterfront Plaza 325 West Main Street, Suite 710 Louisville, Ky. 40202

Attn: Mr. Mark C. Askin, P.E.

Subject: Encroachment Permit Revisions Northern Division Connection Project, Phases 1 & 2 Kentucky American Water Owen County

September 5, 2012

Dear Mr. Askin:

Your recent summary of modifications dated August 29, 2012 to permits 06-0165-12 and 06-0166-12 have been reviewed and approved. If you have any questions or need any additional information please contact this office.

Constine Muster

Caroline Justice Permit Supervisor





An Equal Opportunity Employer M/F/D

Steven L. Beshear Governor



August 29, 2012

Mr. Kyle Martin Kentucky Transportation Cabinet Department of Highways, District 6 421 Buttermilk Pike Covington, KY 41017

Re: Encroachment Permit Application on KY 3523 and KY 22 for Plan Revision 1 Northern Division Connection Project, Phases 1 and 2 Kentucky American Water

Dear Mr. Martin:

This letter summarizes the design changes for the water transmission main realignments along KY 3523 and KY 22. A discussion of each alignment revision is as follows:

1. KY 3523/Monterey Pike Realignment

Starting at the intersection of US 127 and KY 3523, the original alignment through south Monterey included approximately 900 linear feet (LF) of 16-inch water transmission main and 475 LF of 6-inch water mains within the right-of-ways of US 127 and KY 3523. Upon leaving the US 127 right-of-way at Station 293+00, the original alignment involved a series of easements adjacent to Cedar Creek before crossing said creek at Station 314+25.

Complications in acquiring the needed easements resulted in realigning approximately 1,640 LF of 16-inch water transmission main within the KY 3523 right-of-way from the intersection of said highway and US 127 to Point of Rock Road (see revised sheets 13 and 14 enclosed). Upon leaving the KY 3523 right-of-way, the main will continue down Point of Rock Road until the Cedar Creek crossing mentioned above. This realignment will also require approximately 300 LF of 6-inch water mains and 50 LF of 4-inch water mains to be constructed within the right-of-ways of US 127 and KY 3523 to make connections to existing water mains.

While designing this realignment, we used drawings for KY 3523 (dated 1930) to identify the location and widths of the right-of-way. Upon review, we noticed that the KY 3523 right-of-way adjacent to Parcels A-104, A-105, A-106, A-107, and A-108 is 70 feet wide. As a result, our proposed 16-inch water transmission main is designed to be located within said right-of-way and not within the proposed easements (see sheets 15 and 16 enclosed).

2. KY 22 Realignment

Complications in acquiring the needed easement across Parcel C-19 resulted in realigning approximately 145 LF of 16-inch water transmission main within the KY 22 right-of-way (see sheet 20 enclosed).

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Mr. Kyle Martin Kentucky Transportation Cabinet Department of Highways, District 6 Page 2 August 29, 2012

Please call me if you have any questions or need additional information.

Sincerely,

STRAND ASSOCIATES, INC.® Mark C. Askin, P.E.

c: Jason M. Hurt, P.E., Kentucky American Water

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