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PUBLIC SERVICE
COMMISSION

October 1, 2007

Via Hand Delivery

Hon. Beth O'Donnell
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

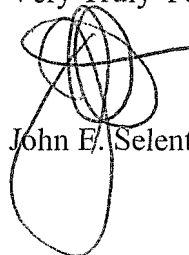
Re: Application of Kentucky-American Water Company, a/k/a Kentucky American Water for Certificate of Convenience and Public Necessity Authorizing Construction of Kentucky River Station II ("KRS II"), Associated Facilities, and Transmission Line; Case No. 2007-00134.

Dear Ms. O'Donnell:

We have enclosed for filing an original and eleven copies of Louisville Water Company's responses (with the attachments thereto, consisting of responsive documents contained on separate compact discs) to the data requests of Kentucky American Water Company.

Thank you, and if you have any questions, please call me.

Very Truly Yours,



John E. Selent

JES/ki

Enclosures

cc: All Parties of Record (w/encl.)
Barbara K. Dickens (w/encl.)
Edward T. Depp, Esq. (w/o encl.)

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**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF:

**THE APPLICATION OF KENTUCKY-AMERICAN
WATER COMPANY FOR A CERTIFICATE OF
CONVENIENCE AND NECESSITY AUTHORIZING
THE CONSTRUCTION OF KENTUCKY RIVER
STATION II, ASSOCIATED FACILITIES AND
TRANSMISSION MAIN**

CASE NO. 2007-00134

05/21/07
PUBLIC SERVICE
COMMISSION

**LOUISVILLE WATER COMPANY'S RESPONSES TO KENTUCKY-AMERICAN
WATER COMPANY'S DATA REQUESTS**

For its responses to the data requests of Kentucky-American Water Company ("KAWC"), Louisville Water Company ("LWC"), by counsel hereby states as follows.

REQUESTS

1. Provide a copy of the most recent five year financial plan for LWC and, if the planning period is different than five years, provide the plan for whatever planning period exists.

RESPONSE: Please see LWC's 2007 Annual Budget and Long Range Financial Plan ("2007 Annual Budget") provided in response to the Attorney General's data request number 11(c) and the LWC 10 Year Pro Forma Income Statement produced herein.

2. Provide a copy of your audited financials and certified audit reports for the last five years.

RESPONSE: Please see the attached audited financial statements for the last five years.

3. Provide a copy of LWC's operating policies and procedures for water treatment, storage, distribution, and transmission. If LWC has an operations manual, provide a copy.

RESPONSE: LWC objects that this request is unduly burdensome and seeks confidential and sensitive information protected by the Homeland Security Act.

4. Reference: Mr. Heitzman's testimony page 4, lines 6-14. Provide all documents that reflect LWC customer service ratings in the last five years.

RESPONSE: LWC objects that this request is unduly burdensome insofar as it seeks thousands of customer surveys and similar materials. Without waiving its objection, LWC produces the attached written report (dated January 6, 2007) of Bob Hurd, Ph.D. of Hurd & Associates, Inc. This report details LWC's customer satisfaction ratings for the past five years.

5. Provide a copy of all of LWC's existing rates and all other fees charged. Describe in detail each change in those rates and fees over the last ten years. Describe the proposed increases of each rate and fee for each year of the next five years.

RESPONSE: Please see the attached Louisville Water Company Water Rate Schedules for 1998 through 2007, its Service Rules and Regulations, as well as its New Service and Tapping Fee Schedule. LWC is in the process of preparing its budgets (which address any potential rate increases) for 2008 for presentation to the Board of Water Works.

6. Provide a copy of LWC's standard contract for pipe installation including bid forms, agreements, and specifications.

RESPONSE: Please see the attached Louisville Water Company Standard Contract Document Technical Specifications for Facilities and Pipeline Construction, 1997.

7. Provide copies of all presentations made to any and all bond rating agencies in the last five years.

RESPONSE: Please see the attached 2006 presentation of Louisville Water Company to bond rating agencies.

8. Provide the amount of each bond issuance in the last five years, the cost of each issuance and the interest rate for each issuance.

RESPONSE: LWC has had one bond issue in the last five years. The Series 2006 Bonds were issued in the par amount of \$83,845,000 with a true interest cost of 4.609692%. The cost of issuance for those bonds was \$470,750. This cost includes fees of legal counsel, accountants, engineers, and financial advisors, as well as printing costs, rating agency fees, advertising costs, and other costs of issuance.

9. Provide copies of all of the LWC's Kentucky Division of Water Sanitary Surveys from the last five years.

RESPONSE: Please see the attached copies of KYDOW's 2002 and 2005 survey results and associated correspondence. No other such surveys were conducted during that timeframe.

10. Reference: Mr. Heitzman's testimony page 5, line 14. What is the rationale, basis and support for the statement "a more permanent solution than the proposed Kentucky River Station II project?"

RESPONSE: Please see LWC's response to the Attorney General's data request number 7(c).

11. Reference: Mr. Heitzman's testimony page 5, line 13. What is the rationale, basis and support for the statement "to meet this need with less cost to end-user customers?"

RESPONSE: Please see LWC's response to the Attorney General's data requests numbers 5 and 7(a).

12. Reference: Mr. Heitzman's testimony page 5, line 14. What is the rationale, basis and support for the statement "less environmental impact?"

RESPONSE: Please see LWC's response to the Attorney General's data request number 7(b).

13. Provide the total project cost for each pipeline installation undertaken by LWC in the last ten years that included pipe 24-inch or larger. Do not include projects that simply tie-in a smaller diameter main into a 24-inch or larger main. Your answer should include, for each installation, a breakdown by component including, but not limited to, materials, installation, administration, engineering, permitting, legal, land acquisition, overhead, road bores, stream crossings, pavement restoration and surveying costs. Each project should identify the location, the total footage of pipe, the pipe size and material, and the footage in private easement, right-of-way, or under pavement.

RESPONSE: LWC objects that this data request is unduly burdensome in that LWC does not keep its records in this manner in the ordinary course of its business. Without waiving its objection, LWC produces the attached chart entitled, "Project Cost for Transmission Main Installation from 1996-2007 YTD for 24" and Greater Size Pipe."

14. Provide a copy of all minutes of meetings, including but not limited to LWC Board of Directors meetings and LWC Executive Leadership Team meetings, that relate to or include the discussion of proposals to or presentations regarding water supply to any other water provider since 1999.

RESPONSE: LWC objects that this data request is unduly burdensome in that its meeting minutes for 1999 and 2000 are not readily available or locatable. Without waiving its objections, LWC produces the attached meeting minutes from 2001 to the present.

15. Identify each elected official with whom LWC has communicated, by any means, regarding the provision of water supply to any entity outside of Jefferson County in the last five years. Identify the dates of those communications. Provide all documents relating to those communications.

RESPONSE: LWC objects that this data request is unduly burdensome insofar as it requests LWC to identify each and every communication it has had with elected officials during the referenced timeframe. Without waiving its objection, LWC states that its Manager of Government Affairs is Vince Guenther, and he is a Registered Legislative Agent. In that capacity, Mr. Guenther regularly communicates with elected officials in Louisville's Metro Government, as well as members of the state legislature on a wide range of issues of importance to LWC. He also has regular communications with elected officials representing city and county governments from around the Commonwealth. With respect to the Louisville Pipeline, LWC produces the following attached documentation which relate to communications between LWC and elected officials: (i) letter responding to Representative Harry Moberly's request for information regarding the Louisville Pipeline; (ii) form letter sent to the Kentucky House of Representatives; (iii) a May 15, 2007 presentation to the Frankfort Plant Board; (iv) a July 10, 2007 presentation to the Lexington Fayette Urban County Government (already produced as Exhibit 2 to the Prefiled Direct Testimony of Greg Heitzman); (v) an August 20, 2007 presentation to the Georgetown City Council; (vi) an August 21, 2007 presentation to the Lexington Fayette Urban government Planning Committee; and (vii) a September 18, 2007 presentation to the Lexington Fayette Urban County Government (already produced as a supplement to LWC's response to the Commission's open records request).

16. Provide the units in each table for LWC's 20-Year Forecast prepared by Patricia B. Cerrito dated May 30, 2005.

RESPONSE: Thousands of gallons.

17. Reconcile the difference between current and future average maximum day demands in the 2006 LWC Annual Report, Patricia B. Cerrito's Forecast and the demands found in the Executive Summary of the "Final Report 2002-2021 Facilities Plan Volume 2 of 2 Capital Program Elements" prepared by Black & Veatch in 2002.

RESPONSE: LWC objects that this data request is unduly burdensome insofar as it requests that LWC reconcile reports that it did not prepare. Without waiving its objection, LWC states that the Water Demand Summary contained in the Executive Summary of the "Final Report 2002-2021 Facilities Plan Volume 2 of 2 Capital Program Elements" was prepared by Dr. Paul Coomes of the University of Louisville in 2002. The methodology for these projections is described in detail in Appendix 3 of that report. The LWC 20-Year Forecast was prepared by Dr. Patricia B. Cerrito of Statistical Consulting of Louisville, Inc. in 2005. The difference between the two forecasts is likely attributable to differences in the data sets and methodologies used by the consultants.

18. Provide complete copies of Chapters 5, 6 & 7 of the “Final Report 2002 – 2021 Facilities Plan Volume 2 of 2 Capital Program Elements,” prepared by Black & Veatch dated 2002.

RESPONSE: Please refer to LWC's response to the Public Service Commission ("Commission") data request number 21 and Chapters 5 through 7 of the Final Report 2002-2021 Facilities Plan Volume 2 of 2 Capital Program Elements, which are attached.

19. Explain the rationale, basis and research used for predicting declining industrial sales in the LWC 20-Year Forecast.

RESPONSE: Please refer to page 2 of the LWC 20-Year Forecast.

20. Does LWC have any plans to attract replacement industrial infill business? Provide all documents relating to any such plans.

RESPONSE: LWC responds generally in the affirmative and states that it coordinates its economic redevelopment initiatives with Greater Louisville Inc., and it produces the attached documentation from the Greater Louisville Inc. website. LWC does not, however, have any such formal plans.

21. Provide a list of the top 50 industrial customers by overall annual demand, their historical average daily demands for 2001 through 2006 and their projected average daily demands in 2020, 2025 and 2030.

RESPONSE: LWC objects that this request seeks confidential and sensitive information related to the water demand of its industrial customers. Without waiving this objection, LWC states that it tracks neither historical average daily demands nor projected average daily demands, but a redacted list of the overall annual demand of each of LWC's top 50 industrial customers is attached hereto.

22. What are the maximum monthly demands for each of these top 50 industrial customers for the last five years? Identify the month and year that the maximum monthly demand occurred.

RESPONSE: LWC objects that this request seeks confidential and sensitive information related to the water demand of its industrial customers. Without waiving this objection, please see the attached chart identifying the month, year, and maximum monthly demand of the top 50 industrial customers referenced in response to data request number 21.

23. What are the maximum day demands for each of these top 50 industrial customers for the last five years? Identify the dates of the maximum day demands that you identify.

RESPONSE: LWC does not track maximum day demands for its top fifty industrial customers.

24. Provide LWC’s maximum monthly demand for each year between 2001 and 2006 by customer class for each month.

RESPONSE: LWC does not track the maximum monthly demand by customer class.

25. What is the estimated breakdown by customer class for the maximum day demand for each of the last five years and for each year of LWC’s projections through 2020?

RESPONSE: With respect to historical breakdowns, please see the LWC 2007 Rate Study produced in response to Commission data request 18. With respect to projected breakdowns, LWC does not prepare or report projections through 2020 of estimated maximum day demand for each customer class.

26. Upon what dates did the highest five days of demand occur for each year between 2001 and 2006? Provide the amount of demand for each date.

RESPONSE: Please see the table below.

Year	Date	Demand
2006	August 7	172.6 MG
	August 6	168.9 MG
	August 2	168.2 MG
	August 5	165.8 MG
	August 4	161.8 MG
2005	June 25	204.5 MG
	June 24	201.5 MG
	August 10	198.8 MG
	August 11	192.2 MG
	August 13	192.6 MG
2004	September 24	161.1 MG
	August 18	159.6 MG
	June 28	159.6 MG
	June 30	159.4 MG
	August 17	155.9 MG
2003	July 4	173.0 MG
	August 20	167.1 MG
	July 3	166.9 MG
	August 21	165.6 MG
	June 25	164.4 MG

2002	August 9	190.0 MG
	August 6	189.7 MG
	August 10	187.1 MG
	August 8	185.9 MG
	August 3	185.8 MG

27. Has LWC contacted or made presentation(s) to existing industries who have other water supply sources for possible future connection? If so, identify those industries and provide copies of all documents and all dates of any contacts and/or presentations. How are those industries factored into your industrial demand?

RESPONSE: LWC objects that the term "industries" is unduly vague and ambiguous. Without waiving its objection, LWC states that it serves individual customers, not industries.

28. Is the riverbank infiltration ("RBI") project at the B. E. Payne WTP currently on schedule for a September 2009 completion? If not, provide an updated schedule with a comprehensive explanation of all delays.

RESPONSE: Yes.

29. What is the capacity (both total and firm) of the RBI system?

RESPONSE: The existing collector well (CW-1) at the B. E. Payne plant has been pumping at a 17 MGD rate since completion of construction in 1999. Phase II of the RBF system will include the installation of four additional wells and the capacity has been predicted, through modeling, to provide a supply range of 53-63 MGD. The combined RBF system will have a combined total capacity of 63-78 MGD. Existing source water capacity at the B. E. Payne is 120 MGD, providing a total source water capacity of 186-198 MGD.

30. What is the expected life of the RBI system?

RESPONSE: The expected life of the RBF system is as follows. Small pump station equipment has an expected life of seven years. Large pump station equipment has an expected life of twenty-five years. The pump station building has an expected life of forty years. Piping, tunnels, and wells have an expected life of 100 years.

31. Explain any redundancy in the RBI system and how fouling of the collector wells will be managed. What are the current and projected annual operating and maintenance costs of the RBI system?

RESPONSE: The RBF system has been designed to provide redundancy so that if one collector well is taken down for maintenance, the capacity needs of the plant can still be met. Scheduled maintenance would be during the winter months when the demand is the lowest.

Redundancy exists in the design of the Phase II pump station because pumping capacity will include two 20 MGD pumps, one 15 MGD pump, and one 10 MGD pump to be combined with the two 10 MGD pumps in the existing CW-1 pump station for a total pumping availability of 85 MGD. In addition, there is space for supplementary pumps for redundant capacity in CW-1 and in the Phase II pump station.

32. Is the Ohio River intake at B. E. Payne still in service? What is the capacity of that intake? Will it remain in service after the completion of the RBI system?

RESPONSE: The B. E. Payne raw water intakes are currently in service. Two parallel 60-inch intake lines exist at the plant for a combined capacity of 120 MGD. The intake lines will remain operable after completion of the RBF system for redundancy at the plant.

33. Will the cost of the RBI project be applied ratably by customer class?

RESPONSE: Yes.

34. The construction cost for the RBI project is indicated to be approximately \$34M. What is the total project cost including, engineering, permitting, legal and the cost per MG for the RBI project? How will this cost be applied to current and future ratepayers?

RESPONSE: The projected cost for construction of the Phase II Tunnel and Pump Station is approximately \$34.0 million. The total projected cost for the Phase II RBF Tunnel and Pump Station, including construction of the facility, project management, engineering, right-of-way/legal, capitalized interest, and related projects is approximately \$47.2 million. At the available yield of approximately 78 MGD, the projected cost is approximately \$605,000/MG.

35. Will an RBI project be implemented at the Crescent Hill WTP? If so, at what total project cost? How will this cost be applied to current and future ratepayers?

RESPONSE: LWC is currently evaluating advanced treatment technologies for the Crescent Hill WTP, and bank filtration is one of the technologies being investigated. The cost of any such project would be applied to current and future ratepayers over the estimated design life of the project using cost-of-ratemaking methods consistent with the American Water Works Association Manual M1 on Water Rates.

36. Does LWC use a corrosion inhibitor or do you rely on high pH for corrosion control?

RESPONSE: LWC does not use any corrosion inhibitor. Instead, it relies on pH adjustment for corrosion control.

37. What provisions has LWC made in its proposal to the Bluegrass Water Supply Commission (“BWSC”) (formerly Bluegrass Water Supply Consortium) and for the LWC Proposal to the LFUCG of July 10, 2007 for differing water quality parameters?

RESPONSE: Both LWC and KAWC disinfect the treated water using chloramines (a chlorine-ammonia residual). LWC has proposed a minimum flow volume of 2 MGD in the 36-inch pipeline to assure the chloramines residual meets Kentucky drinking water regulations.

38. Will LWC be able to meet all currently imposed disinfection by products rules at the termination point of the LWC Proposal? If so, what are the projected values of HAA and THM’s in mg/L.

RESPONSE: Yes. LWC is able to meet all currently imposed disinfection by-products rules at the termination point of the Louisville Pipeline. The projected values of HAA and THM's in mg/L at the location are as follows.

	Maximum (in mg/L)	Annual Average (in mg/L)
HAA5	0.035	0.020
Total THM's	0.050	0.030

39. What were your annual costs to provide public fire protection for each of the last five years?

RESPONSE: LWC objects to this data request as not reasonably calculated to lead to the discovery of admissible evidence because this cost does not affect LWC's wholesale water rate. Without waiving this objection, LWC provides the following information regarding charges for public fire hydrants over the past five years:

2006	\$7,067,027
2005	\$6,546,632
2004	\$5,995,155
2003	\$5,559,757
2002	\$5,189,601

40. What is your current original cost, less accumulated depreciation, for all assets used in providing public fire protection services?

RESPONSE: LWC states that the estimated current original cost, less accumulated depreciation, for all assets used in providing public fire protection services is \$703,583,560.

41. Reference your 2006 Annual Report, page 43. Provide the method of calculation used to derive the \$9,857,822 million figure for “water and fire services in lieu of taxes” and a detailed explanation of the meaning of that statement.

RESPONSE: LWC states that its water and fire services provided in lieu of taxes results from adding its charges for water service provided to municipal facilities according to Section 6.02 of its Water Rate Schedule to the charges for fire service according to Section 6.04 of its Water Rate Schedule. The meaning of this statement is explained by KRS 96.270 ("Consolidated local government to receive water without charge – Property to be exempted from taxation").

42. LWC’s 2006 Annual Report contains information relating to water delivered to mains. With respect to that information:

- a. What peak to average day ratio does LWC use in its demand projections and what is the rationale for using that value?
- b. What is LWC’s current unaccounted for water expressed as a percentage of system delivery? What percentage is used for future demand forecast? To the extent those percentages are different, explain why.
- c. What is LWC projecting for maximum day demand for 2020, 2025 and 2030 expressed in MGD?

RESPONSE:

a. LWC utilizes a peak to average day ratio of 1.6 for its total system and 1.7 for the elevated service area per analysis in the 2002-2021 Facilities Plan conducted by Black & Veatch Engineers (Table 3-11, Volume 2).

b. LWC objects that the phrase "unaccounted for water" is vague and ambiguous. Without waiving its objection, LWC refers KAWC to its response to CAWS data request number 6.

c. The 2002-2021 Facilities Plan conducted by Black & Veatch Engineers projected maximum day demands of 225.74 MGD for 2020 (Table 3-14, Volume 2). Maximum day demand estimates were not prepared for 2025 and 2030.

43. List the projects needed and the total project cost for each to alleviate the projected production shortfall between the B. E. Payne service area (860 pressure zone) and the Crescent Hill service area (660 pressure zone)? Provide a schedule for these projects. How will these costs be applied to current and future ratepayers?

RESPONSE: LWC does not have a production shortfall as shown in the documentation produced in response to data request number 50. Current treatment capacity is 240 MGD, and the maximum production day is 205 MGD, experienced in the summer of 2005. This indicates that LWC currently has a reserve capacity of 35 MGD.

44. Provide a detailed description of LWC's backup power supplies at its treatment plants and pump stations and how it relates to the amount of system storage. Describe any and all plans for changes in your backup power supplies.

RESPONSE: LWC objects that this request is unduly burdensome and seeks confidential and sensitive information protected by the Homeland Security Act. LWC further objects that this data requests is phrased so generally as to be vague and ambiguous. Without waiving its objections, LWC states that it has two water treatment plants: the Crescent Hill Filtration Plant and the B. E. Payne Water Treatment Plant. Both plants have redundant power feeds from the power supplier, LG&E. In addition, both plants have backup power supplies that allow LWC to produce water to meet average demand under blackout condition.

45. Is there adequate storage in the 860 pressure zone to reliably feed 25 MGD on a maximum day demand to KAW and BWSC? Provide a detailed rationale for your answer and include any documents upon which you rely for your answer.

RESPONSE: Yes. LWC has 15 MG of distribution storage available to the 860 pressure zone, 87 MGD of pumping directly into the 860 pressure zone from the B. E. Payne Water Treatment Plant, and 63 MGD of transfer pumping from the 660 pressure zone served by the 180 MGD capacity Crescent Hill Filtration Plant. This equates to a total, elevated service area, delivery capacity of 150 MGD. The maximum day of record in the elevated service area is 75 MGD, with a maximum hour of 101 MGD. An additional 25 MGD of demand would yield a maximum day estimate of 100 MGD and a maximum hour of 126 MGD, both below LWC's maximum hour delivery capacity in the elevated service area. LWC produces the system schematic relied upon in responding to this data request.

46. Provide the status and schedule for all the projects recommended in the 2002-2021 Facilities Plan. Identify any other projects undertaken by LWC as a result of the 2002-2021 Facilities Plan. Provide total project cost, broken down by component, of all projects identified.

RESPONSE: LWC objects that this data request is unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence as it does not relate to KAWC's evaluation, if any, of the Louisville Pipeline prior to filing its application.

47. What is the status of the development of hydraulic models for the LWC system?

RESPONSE: LWC objects that this data request is vague and ambiguous. Without waiving its objection, LWC states that it currently uses KYPIPE for hydraulic modeling of the LWC system.

48. Has a hydraulic model been run to simulate the effect of 25 MGD of demand at English Station SP? If so, provide a paper copy and an electronic copy (Excel or comparable format with formulae intact) of the results.

RESPONSE: No.

49. Was B. E. Payne WTP expanded from 45 to 60 MGD? If so, provide the total project cost and the scope of the project.

RESPONSE: In 2005, the firm capacity of the B. E. Payne WTP was expanded from 45 MGD to 60 MGD. Recent upgrades to the plant, completed in early 2005, included increasing filter capacity to 105 MGD and adding 27 MGD of finished water pumping capacity. The total current finished water pumping capacity at the B. E. Payne WTP is 87 MGD. Other scope elements of this project included construction of an underground 13.8 kV electrical feed, replacement of incoming switchgear and transformers, replacement of low lift and high lift motor control centers, installation of diesel standby power generators, replacement of two backwash pumps and their motor control centers, installation of air scour for filter surface wash, replacement of 480 V transformers, installation of a 36" high lift discharge header, and installation of surge control tanks. Total project costs were approximately \$19 million.

50. Does LWC plan to expand the B. E. Payne WTP from 60 to 90 MGD? If so, provide the estimated total project cost, the scope of the project and the schedule required for design, permitting and construction. Identify all process units that would need to be improved or expanded.

RESPONSE: Yes. LWC can readily expand to 90-120 MGD, subject to future demand. For more detail, LWC refers KAWC to the attached August 2007 Water Treatment Plant Capacity Study conducted by CH2MHILL. Specifically, LWC plans to expand the B. E. Payne WTP from the existing 60 MGD to 90 MGD and to expand the Crescent Hill Filtration Plant from 180 MGD to 210-240 MGD.

51. Can B.E. Payne WTP be expanded past 90 MGD on its current site? If so, explain how it can be expanded, whether there are any plans for that expansion and the dates of the proposed expansion. Provide all documents that support your answer.

RESPONSE: Yes. Please see LWC's response to data request 50.

52. Can Crescent Hill WTP be expanded past 180 MGD on its current site? If so, explain how it can be expanded, whether there are any plans for that expansion and the dates of the proposed expansion. Provide all documents that support your answer.

RESPONSE: Yes. Please see LWC's response to data request 50.

53. How often does LWC perform a cost of service study? Provide the most recent study in paper and electronic (Excel or comparable format with formulae intact) form.

RESPONSE: LWC objects that its spreadsheet formulae constitute proprietary information. Without waiving its objection, LWC states that it performs cost of service study on an annual basis, and a copy of the most recent such study is attached hereto.

54. Identify the census tracts in which LWC envisions future residential, commercial, industrial and wholesale growth to occur within its system to 2020? Identify the envisioned growth by census tract and customer class. How will this growth affect LWC's proposal to supply 25 MGD to KAW / BWSC?

RESPONSE: LWC objects that this data request is unduly burdensome because LWC does not track data within its system by census tract.

55. What are the geographic boundaries of LWC's service territory?

RESPONSE: LWC objects that the phrase "service territory" is vague and ambiguous. LWC further objects that this data request seeks legal conclusions that are not the proper subject of a data request. Without waiving its objections, LWC refers KAWC to KRS 96.265.

56. Can LWC currently provide residential, commercial, industrial and fire protection service in all areas of its service territory? If not, identify those portions of your service territory in which you cannot currently provide service, the type of service you cannot provide and the reasons you cannot provide the service.

RESPONSE: Yes.

57. Provide the analysis that supports the cost estimates for the LWC Proposal that was presented to the LFUCG on July 10, 2007.

RESPONSE: Please refer to LWC's response to BWSC data request number 8.

58. Provide a detailed construction cost breakdown by individual component for the LWC Proposal to the LFUCG for a 36-inch pipeline from Jefferson County, Kentucky to Fayette County, Kentucky.

RESPONSE: Please refer to LWC's responses to BWSC data requests numbers 6 through 8.

59. Provide a similar construction cost estimate for a 42-inch pipeline.

RESPONSE: Please refer to the R. W. Beck report that LWC previously produced in response to the Commission's open records request.

60. Provide all documents, including work papers, planning studies, engineering reports, alternative analyses, alignment studies, and electronic correspondence detailing the routing of the proposed pipeline to Fayette County as described in the LWC Proposal.

RESPONSE: Please see LWC's responses to BWSC data request number 1, Commission data request numbers 1 through 5, and Attorney General data request number 3.

61. Provide all project schedules identifying all project tasks, their anticipated start date, duration and completion date for the LWC Proposal. Include the schedule for all tasks for all project components relating to engineering, administration, legal, permitting, land, environmental, cultural, archeological, governmental, financial and construction.

RESPONSE: Please see LWC's responses to BWSC data request number 1, Commission data request number 5, and Attorney General data request number 3.

62. Provide a complete list of all federal, state, county, city, and other permits and approvals required for the LWC Proposal.

RESPONSE: Please see LWC's responses to Attorney General data request numbers 4(a) and 4(b) and Commission data request number 9(c).

63. Compile a "Total Project" cost estimate for the LWC Proposal broken down by individual components, including but not limited to, engineering, administration, legal, permitting, land acquisition, and financing.

RESPONSE: Please see LWC's responses to data request numbers 60 through 62, Commission data request number 10, BWSC data request numbers 6 through 9, and Attorney General data request number 3. Please also refer to the R. W. Beck report that LWC previously produced in response to the Commission's open records request.

64. How many linear feet of the pipeline in the LWC Proposal will occupy public land?

RESPONSE: Please see LWC's response to data request 60.

65. How many linear feet of the pipeline in the LWC Proposal will occupy private land? Of the private land occupied, identify the number of linear feet for which LWC has obtained an easement, identify the grantor of the easement, and provide copies of the easements and all documents relating to the acquisition of those easements.

RESPONSE: Please see LWC's response to data request number 60.

66. For each easement identified in your response to #66, provide all costs associated with obtaining, developing, acquiring and finalizing the easement.

RESPONSE: LWC objects that this data request does not request LWC to identify any easements. Without waiving its objection, LWC refers KAWC to its responses to data request numbers 60 and 63.

67. Provide a copy of any environmental study conducted for the LWC Proposal, with all associated work papers, engineering reports, alternatives analysis, and electronic correspondence for the same.

RESPONSE: No such environmental study has been conducted by LWC at this time. Please also refer to LWC's response to Attorney General data request number 7(b).

68. What is the basis for the assertion that LWC could use the Interstate 64 right-of-way / controlled access for a longitudinal installation of a water pipeline? Provide copies of all documents and correspondence, electronic or otherwise, detailing the use of the Interstate 64 corridor for the LWC Proposal or for any other LWC customer or potential customer. Identify individuals to whom you have communicated, the dates of those communications, and the substance of those communications.

RESPONSE: The Louisville Pipeline proposal includes or considers a route either within or parallel to the I-64 right-of-way. Please also refer to LWC's responses to Commission data request numbers 3 and 5 through 8.

69. Provide copies of all approved encroachment permits from, or applications to, the Kentucky Transportation Cabinet for the longitudinal use of the Interstate 64 right-of-way / controlled access for the LWC Proposal.

RESPONSE: Please see LWCs response to data request number 68.

70. Provide all approved encroachment permits from the Kentucky Transportation Cabinet allowing the LWC to construct any waterline longitudinal to any Interstate within the Interstate right-of-way / controlled access.

RESPONSE: None at this time.

71. How many booster pump stations are included in the LWC Proposal? What size, flow in gallons per day and total dynamic head in feet, are in the LWC Proposal?

RESPONSE: LWC's July 10, 2007 presentation to the LFUCG was based upon a design involving two booster pump stations sized in the 20 to 25 MGD range. An additional booster pump stations has been considered in the R. W. Beck analysis previously produced to the Commission and the parties. Notwithstanding this, LWC has not conducted a detailed, final design for a pipeline solution to Fayette County.

72. Who will be responsible for the design, administration, legal, permitting, land acquisition, environmental impact assessment, cultural, archeological, governmental permitting and approval, financial, maintenance, operation, staffing, and ownership aspects of the booster pump stations in the LWC Proposal?

RESPONSE: LWC will manage the project as the owner of the pipeline from I-265 in Jefferson County to Highway 53 in Shelby County. LWC would enter into a contract with an engineering consultant to design the pipeline facilities, including permits, land and easement acquisition, environmental assessments, and construction management. The project would be bid and LWC would enter into a separate construction contract with a pre-qualified contractor to provide the materials and construct the pipeline and associated facilities. Upon completion, LWC would own, operate, and maintain the pipeline and associated facilities to Highway 53 in Shelby County. LWC is open to public and/or private partnerships for ownership arrangements for the portion of the I-64 pipeline from Highway 53 in Shelby County to Fayette County. The procurement of engineering and construction services can be performed in a similar fashion to that for the LWC portion to Highway 53. LWC is open to ownership and/or contract operation and maintenance of the portion along I-64 from Highway 53 to Fayette County.

73. Provide a detailed construction cost estimate for each of the booster pump stations required in the LWC Proposal and identify who will be responsible for the associated construction costs.

RESPONSE: Please see LWC's responses to BWSC data request numbers 6 through 9 and Attorney General data request number 3.

74. Where will each of the proposed booster pump stations be located? Is this public or private land? Has the land been purchased, optioned or otherwise acquired? If so, from whom has the land been purchased, optioned or otherwise acquired?

RESPONSE: LWC has not prepared a detailed hydraulic design that would include locations of booster pump stations. Land for the booster pump stations has not been acquired.

75. Who will provide electrical service to each of the booster pump stations? Describe the type, source and amount of power that will be necessary at each location. Provide the type, source and amount of back-up power that will be utilized at each location. Who will be responsible for the electrical costs for each booster pump station?

RESPONSE: LWC has not conducted a detailed, final design for a pipeline solution to Fayette County; therefore, the requested information is not available. LWC will be responsible for the operations and maintenance of the facilities that it owns, but it has no information regarding facilities that it will not own.

76. What is the anticipated annual operation and maintenance cost associated with each booster pump station? Who will be responsible for the operation and maintenance costs for each booster pump station?

RESPONSE: Please see LWC's response to data request number 75.

77. What is the anticipated (initial, intermediate, and ultimate) capacity of each booster pump station?

RESPONSE: Please see LWC's response to data request number 75. In addition, LWC states that the proposal presented to LFUCG on July 10, 2007, contemplated two booster pump stations sized in the 20 to 25 MGD range.

78. Is water storage anticipated at any or all of the booster pump stations? If so, what capacity is proposed at any or all of the booster pump stations? Is the anticipated storage ground storage or elevated storage? Have provisions for mixing been included in the storage facilities? What is the anticipated turnover in each of the storage facilities?

RESPONSE: LWC has not conducted a detailed, final design for a pipeline solution to Fayette County; therefore, this information is not available. LWC states, however, that the July 10, 2007, proposal to LFUCG included 4 MG of storage on the LWC-owned side of the Louisville Pipeline, near the delivery point at Highway 53. Final design of this facility would provide for mixing. Turnover would be based on demand patterns and associated pumping operations.

System operation would be designed to achieve, at a minimum, thirty percent (30%) turnover on a daily basis.

79. Provide any and all hydraulic analyses in paper and electronic (Excel or comparable format with all formulae intact) form for the LWC Proposal from the LWC treatment plants to the Fayette County, Kentucky location selected by LWC complete with the booster pump stations and any intermediate demands.

RESPONSE: LWC has not conducted a detailed hydraulic analysis for the Louisville Pipeline from the LWC treatment plants to Fayette County.

80. What hydraulic grade line did LWC use in the hydraulic analysis for the KAW distribution system? Explain the rationale for using the hydraulic grade line you identify.

RESPONSE: LWC has not conducted a detailed hydraulic design for the Louisville Pipeline, and therefore this information is not available.

81. Clarify the location, waterline size, and hydraulic grade in the existing KAW distribution system that was identified by the LWC to receive water under the LWC Proposal.

RESPONSE: LWC contemplates the Louisville Pipeline terminate at KAWC's 24 inch line in Newtown Pike, near the juncture of I-64 and Newtown Pike in Fayette County. This information was confirmed through conversations with Bryan Lovan of O'Brien and Gere Engineers. LWC does not have information regarding the hydraulic grade of KAWC's distribution system at that location.

82. Are any additional water treatment facilities anticipated at the booster pump stations or at any intermediate locations from the LWC treatment plants to the Fayette County, Kentucky location? If so, what type of additional treatment is anticipated?

RESPONSE: LWC objects that the phrase "intermediate locations" is vague and ambiguous. LWC further objects that this data request does not provide enough information to enable LWC to respond. Without waiving these objections, LWC states that, based on its July 2007 presentation to the LFUCG, it does not anticipate additional water treatment facilities at the booster pump station or any other locations along the Louisville Pipeline.

83. Provide any "water blending" analysis, work papers, studies, engineering reports, alternatives analysis, electronic correspondence, memorandum, and correspondence for "water blending" for the LWC treatment plants and the LWC Proposal.

RESPONSE: LWC has not conducted a "water blending" analysis at this time.

84. Provide water quality analysis, work papers, studies, engineering reports, alternatives analysis, electronic correspondence, memorandum, correspondence and/or other documents relating to the hardness and pH of the water produced by the LWC treatment plants and the LWC Proposal.

RESPONSE: LWC objects that this request is unduly burdensome insofar as it seeks all documents "relating to" the hardness and pH of LWC water. Without waiving its objection, LWC states that water hardness and pH information is summarized in LWC's 2007 Annual Water Quality Report, which is attached.

85. Provide all documents relating to the LWC Board's approval and/or the Executive Leadership Team's approval of the LWC Proposal.

RESPONSE: LWC objects that this data request is unduly burdensome insofar as it seeks all documents "relating to" approval of the Louisville Pipeline. Without waiving its objection, LWC states that the Board of Water Works is aware of the Louisville Pipeline proposal and LWC's participation in this matter. Please also see LWC's responses to data request numbers 14 and 15, as well as the Louisville Pipeline study that LWC contracted R. W. Beck to prepare.

86. Provide all documents relating to the issue of legal and/or regulatory approval of the LWC Proposal.

RESPONSE: Please see LWC's response to data request number 85. Please also see KRS 96.265.

87. Provide all analysis, work papers, studies, engineering reports, alternatives analysis, electronic correspondence, memorandum, correspondence and/or other documents relating to pipeline sizing for the LWC Proposal.

RESPONSE: LWC objects that this data request is unduly burdensome insofar as it seeks all information "relating to" pipeline sizing. Without waiving its objection, LWC states that its pipeline sizing is based on standard engineering factors and analysis to meet a demand of 20 to 25 MGD. Please also see LWC's response to BWSC data request number 5.

88. Provide all analysis, work papers, studies, engineering reports, alternatives analysis, electronic correspondence, memorandum, correspondence and/or other documents relating to rate structure for the LWC Proposal.

RESPONSE: LWC objects that this data request is unduly burdensome insofar as it seeks all information "relating to" rate structure. Without waiving its objection, LWC refers KAWC to LWC's 2007 Rate Study, produced in response to Commission data request number 18.

89. Provide the proposed metering configuration at the termination of the LWC Proposal at Fayette County, Kentucky.

RESPONSE: LWC has not performed a detailed, final design (including metering configuration) for the transmission system to Fayette County. Please also refer to Section 10 of the previously produced November 7, 1998 Water Supply Agreement between LWC and KAWC.

90. The LWC response dated July 30, 2007 to the PSC Open Records Request references a map entitled *Proposed Bluegrass Water Supply Solution*. Provide all analysis, work papers, studies, engineering reports, alternatives analysis, electronic correspondence, memoranda, documents and correspondence related to the water distribution grid necessary to serve members of the Bluegrass Water Supply Commission.

RESPONSE: LWC objects that this request is not reasonably calculated to lead to the discovery of admissible evidence because how KAWC and BWSC choose to distribute water to each other is a matter of concern among those parties, not LWC. Without waiving its objection, however, LWC states that it has not analyzed the water grid necessary to serve members of the BWSC.

91. Identify the total project cost of constructing the water distribution grid necessary to serve members of the Bluegrass Water Supply Commission broken down by component including but not limited to materials, installation, administration, engineering, permitting, legal, land acquisition, overhead, road bores, stream crossings, pavement restoration and surveying costs.

RESPONSE: Please see LWC's response to data request number 90.

92. In the LWC Proposal, a 36-inch pipeline has been identified. Does this solution consider any capacity needs in Anderson, Bullitt, Franklin, Oldham, Shelby, Spencer, and/or Woodford Counties, Kentucky? Does LWC intend to address the needs identified in those counties, and if so, how?

RESPONSE: The Louisville Pipeline proposal considers capacity needs in the referenced counties. If the referenced counties seek additional capacity from LWC, LWC will meet that need from the abundant supply of the Ohio River and LWC's system.

93. What is the status of each proposal / presentation identified in the LWC response dated July 30, 2007 to the PSC Open Records Request?

RESPONSE: Pending.

94. The LWC response dated July 30, 2007 to the PSC Open Records Request references a *Plant Capacity Study*. Provide a copy of the study. If the study has not been completed, provide the completed chapters and a schedule for the completion of the study.

RESPONSE: Please refer to LWC's response to data request number 50.

95. The LWC response dated July 30, 2007 to the PSC Open Records Request references presentations to: *Oldham County Water District, Fort Knox, Frankfort Plant Board, Shelbyville Water and Sewer Commission, North Nelson Water District, Bluegrass Water Supply Commission, and the Lexington Urban County Government*. The presentations to the *Bluegrass Water Supply Commission and the Lexington Urban County Government* are directed to meet similar needs. The capacity ranges, in million gallons per day (MGD), from the presentations are summarized as: *Oldham County Water District (1.5-7), Fort Knox (2-10), Frankfort Plant Board (2-10), Shelbyville Water and Sewer Commission(2-10), North Nelson Water District(2.5-4.5), Bluegrass Water Supply Commission, and the Lexington Urban County Government(10-31)*. The sum of the minimums and maximums is 20 MGD and 72.5 MGD respectively. Provide all analysis, work papers, studies, engineering reports, alternatives analysis, electronic correspondence, memorandum, and correspondence to support the LWC ability to meet the needs identified for all of the presentations made.

RESPONSE: LWC currently has a reserve capacity of 35 MGD. That capacity can be readily expanded to 95 MGD. Please refer to LWC's response to data request 50 (as well as the specific presentations referenced above) for more detail.

96. The LWC response dated July 30, 2007 to the PSC Open Records Request references presentations to: *Oldham County Water District, Fort Knox, Frankfort Plant Board, Shelbyville Water and Sewer Commission, North Nelson Water District, Bluegrass Water Supply Commission, and the Lexington Urban County Government*. The majority of these presentations include the text "Reserve Capacity of 35 MGD (240 MGD total), which can easily be increased to 95 MGD (300 MGD total)." Provide all planning studies, engineering reports, alternatives analysis, electronic correspondence, memorandum, correspondence, plans, specifications, regulatory approvals, Board approvals, and Executive Leadership Team approvals that support this statement.

RESPONSE: Please refer to LWC's response to (and supporting documentation referenced in) data request number 50.

97. Provide the total project cost for any and all projects that would be necessary to increase LWC's reserve capacity of 35 MGD to 95 MGD. The total project cost should include the breakdown by component including but not limited to construction, materials, installation, administration, engineering, permitting, legal, land acquisition, overhead, and surveying costs.

RESPONSE: LWC objects that this data request is unduly burdensome because LWC does not segregate planning estimates in the manner requested. Without waiving its objection, LWC refers KAWC to its response to (and supporting documentation referenced in) data request number 50.

98. Who will pay for the costs incurred to increase LWC's reserve capacity of 35 MGD to 95 MGD as described in Question No. 96?

RESPONSE: Any such cost would be applied to current and future ratepayers over the estimated design life of the project(s), using cost-of-ratemaking methods consistent with the American Water Works Association Manual M1 on Water Rates.

99. Provide the LWC Business Plan for the next five years and if it is for a period other than five years, provide it for that period.

RESPONSE: Please see the attached 2007 - 2021 Strategic Plan of LWC.

100. The LWC response dated July 30, 2007 to the PSC Open Records Request references presentations to: *Oldham County Water District, Fort Knox, Frankfort Plant Board, Shelbyville Water and Sewer Commission, North Nelson Water District, Bluegrass Water Supply Commission, and the Lexington Urban County Government*. The majority of these presentations include reference to the LWC bond rating. Provide all documents that constitute and/or support the bond ratings.

RESPONSE: Please see the attached, most recent rating actions by Moody's Investors Service and Standard & Poor's Corporation.

101. The LWC response dated July 30, 2007 to the PSC Open Records Request references a presentation to *the Lexington Urban County Government*. The presentation references Georgetown as a community with which LWC has discussed water supply. Provide all documents relating to communications that have occurred between Georgetown and LWC.

RESPONSE: Please see the attached documentation.

102. The LWC response dated July 30, 2007 to the PSC Open Records Request references a presentation to *the Lexington Urban County Government*. The presentation

references: “easily expandable to 95 MGD reserve capacity with minor plant and transmission upgrades”. This statement includes transmission upgrades. Provide all planning studies, engineering reports, alternatives analysis, electronic correspondence, memorandum, correspondence, plans, specifications, regulatory approvals, and Board approvals that support this statement. Also, provide a list of the projects and the associated total project costs supporting the statement. How will these costs be applied to current and future ratepayers?

RESPONSE: LWC objects that the quoted language does not appear in the referenced presentation and that its presentations to the Lexington-Fayette Urban County Government do not include references to transmission upgrades. Without waiving its objection, LWC refers KAWC to its response to the Plant Capacity Study produced in response to data request numbers 50 through 52 and states that any costs associated with such a project would be applied to current and future ratepayers over the estimated design life of the project using cost-of-ratemaking methods consistent with the American Water Works Association Manual M1 on Water Rates.

103. The LWC response dated July 30, 2007 to the PSC Open Records Request references a presentation to *the Lexington Urban County Government*. The presentation references: “LWC will finance, build and own the line from Jefferson County to Hwy 53 in Shelby County” Define LWC’s financial, legal and ownership interest in this section of pipeline. Why is Hwy 53 identified as the end of LWC interest? Who will maintain this pipeline segment?

RESPONSE: LWC proposes to finance, build, operation, and maintain the section of pipeline from Jefferson County to the intersection of I-64 and Highway 53. LWC proposes that its financial, legal, and ownership interests in this section of the pipeline will be total and complete unless otherwise shared through public and/or private partnerships. No such contractual arrangements currently exist. Highway 53 was identified as the end-point of the LWC interest after consultation with Shelby County water providers and evaluation of general hydraulic considerations (for example, elevation, existing water system piping, and related issues). LWC anticipates that it will maintain this section of the Louisville Pipeline.

104. Under the LWC Proposal, who will finance, build, own, maintain, and operate the pipeline from KY 53 to Fayette County, Kentucky?

RESPONSE: Please see LWC's response to BWSC data request number 10(a).

105. The LWC response dated July 30, 2007 to the PSC Open Records Request references a presentation to *the Lexington Urban County Government*. The presentation states that LWC has reserve capacity to meet the water supply needs of Central KY including the members of the BWSC. Define “Central KY”, identify all water supplying entities, their current needs and their projected needs for 2020, 2025, and 2030, including the needs of the BWSC.

RESPONSE: LWC objects that, aside from the request that LWC define "Central KY," this data request is vague and ambiguous. LWC further objects that the term "water supplying entities" is vague and ambiguous and states that it is not able to project the water needs of others. Without waiving its objections, LWC refers KAWC to its response to Attorney General data request number 6 as well as its various other (and numerous) responses to data requests indicating that LWC can meet demand equivalent to the capacity purported to be created by KAWC's proposed duplicative water treatment plant.

106. The LWC response dated July 30, 2007 to the PSC Open Records Request references a presentation to the *Bluegrass Water Supply Commission*. The presentation references "Long life asset – 100 years vs. 30 to 50 years." What is the meaning of and basis for this statement?

RESPONSE: LWC designs transmission facilities with an expected useful life of 100 years. LWC estimates the design life for components of a water treatment plant to range only from 20 to 50 years.

107. The LWC response dated July 30, 2007 to the PSC Open Records Request references a presentation to *the Lexington Urban County Government*. The presentation states "LWC believes that the I-64 corridor is the least disruptive to the environment..." Identify the number and type of wetlands impacted by the LWC Proposal and provide all documents supporting the statement.

RESPONSE: LWC has not identified the specific number and type of wetlands, if any, in the I-64 corridor. Please also refer to LWC's response to Attorney General data request number 7(b).

108. The LWC response dated July 30, 2007 to the PSC Open Records Request references a presentation to *the Lexington Urban County Government*. The presentation states "LWC believes that the I-64 corridor is the least disruptive to the environment . . ." Identify the name, number and flow regime of each Waters of the U.S. impacted by the LWC Proposal and provide all documents supporting the statement.

RESPONSE: LWC has not identified the name, number, and flow regime of each Waters of the U.S., if any, in the I-64 corridor. Please also refer to LWC's response to Attorney General data request number 7(b).

109. The LWC response dated July 30, 2007 to the PSC Open Records Request references a presentation to *the Lexington Urban County Government*. The presentation states "LWC believes that the I-64 corridor is the least disruptive to the environment..." Identify the name and number of threatened or endangered species with range and/or habitat in the corridor of the LWC Proposal supporting the statement. Also identify the basis for the statement and provide all documents supporting the statement.

RESPONSE: LWC has not identified the name and number of threatened or endangered species (with range or habitat), if any, in the I-64 corridor. Please also refer to LWC's response to Attorney General data request number 7(b).

110. Identify each local floodplain coordinator with whom LWC has communicated regarding the LWC Proposal in the last five years. This should include all documents relating to any such communications and the dates of those communications.

RESPONSE: LWC has not yet communicated with local floodplain coordinators regarding the Louisville Pipeline and the I-64 corridor.

111. How does LWC propose to maintain water quality while expanding its service and delivery area?

RESPONSE: LWC will maintain water quality by continuing to produce excellent, high quality water from LWC treatment facilities, maintaining disinfectant residuals and main pressures above regulatory standards, and continuing to invest in infrastructure renewal to maintain integrity and reliable operation of delivery facilities.

112. How does LWC propose to meet the USEPA Long-Term 2 Enhanced Surface Water Treatment Rule by 2012?

RESPONSE: It is LWC's philosophy that it must stay ahead of regulations. As a result of this philosophy, LWC can meet the 2012 USEPA Long-Term 2 Enhanced Surface Water Treatment Rule without any additional capital investment. LWC can meet these rule requirements by optimizing its existing water treatment processes. However, LWC is again taking additional actions to stay ahead of future regulations. Specifically, LWC is constructing a new riverbank filtration facility at its B. E. Payne water treatment plant, and the construction is scheduled to be complete in 2009. At its Crescent Hill filtration plant, LWC is conducting a pilot plant study to select appropriate advanced water treatment technologies to be implemented at that location. The study is scheduled to be complete in early 2008, when recommendations will be made for long-term implementation.

113. Identify all LWC capital investment projects for the next 10 years, the cost estimates for those projects and the schedules for those projects.

RESPONSE: Please see the attached LWC 10 year capital plan.

114. Identify all LWC capital investment projects for the last 10 years, the initial cost estimates for each of those projects, the initial schedules for each of those projects, the actual costs for each of those projects and the completion date for each of those projects.

RESPONSE: LWC objects that this data request is unduly burdensome because LWC conducts more than 250 capital projects each year. Without waiving its objection, LWC refers KAWC to its response to data request number 13.

115. Provide all LWC Disaster/Emergency Operations Plans.

RESPONSE: LWC objects that this request is unduly burdensome and seeks confidential and sensitive information protected by the Homeland Security Act. LWC further objects that this data request is unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence as it does not relate to KAWC's evaluation, if any, of the Louisville Pipeline prior to filing its application.

116. Provide all LWC security systems plans or manuals identifying LWC's approach to securing its raw water sources, treatment and distribution facilities.

RESPONSE: LWC objects that this request is unduly burdensome and seeks confidential and sensitive information protected by the Homeland Security Act. LWC further objects that this data request is unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence as it does not relate to KAWC's evaluation, if any, of the Louisville Pipeline prior to filing its application.

117. Provide all documents related to any negotiations between KAW and LWC since January 1, 1994 regarding KAW's purchase of water or water-related services from LWC.

RESPONSE: LWC objects that this request is unduly burdensome because KAWC already has this information in its possession, and KAWC has already filed it with the Commission. That filing is available at http://psc.ky.gov/pscscf/2007%20cases/2007-00134/KAW_Response%20Item%204_052107.pdf.

118. When does LWC anticipate expanding its current treatment plants (based on its demand projections) in order to maintain its stated desire for a 15% reserve capacity? How is that schedule impacted by any or all of the water sales proposals it has made to other water providers? Are the costs of those expansions included in your projected rate increases and, if so, how will they be applied to current and future ratepayers?

RESPONSE: LWC plans to begin expanding its existing treatment capacity in 2008. The Crescent Hill water treatment plant softening complex will be rehabilitated beginning in 2008, allowing the softening process to be bypassed during peak operations. This bypass will allow Crescent Hill water treatment plant production capacity to be increased by 60 MGD, from 180

MGD to 240 MGD. This work will be complete by 2010. In addition, LWC is evaluating the expansion of the B. E. Payne water treatment plant from 60 MGD to 90 MGD over the next five to ten years, depending upon potential growth in LWC's water system demand. The improvements will be included in the 2008-2017 Capital Improvement Plan, and the cost would be applied to current and future ratepayers over the estimated design life of the project using cost-of-ratemaking methods consistent with the American Water Works Association Manual M1 on Water Rates.

119. What is the minimum purchase requirement for the LWC Proposal?

RESPONSE: Please refer to page 11 of LWC's July 10, 2007 presentation to the Lexington-Fayette Urban County Government.

120. What is the peaking ratio required for the LWC Proposal?

RESPONSE: LWC proposes a rate of \$1.71/1000 gallons based on a peaking ratio of 2:1.

121. What is the specific termination point of service for the LWC Proposal?

RESPONSE: Please refer to LWC's response to data request number 119.

122. What is the reserved capacity based on the minimum purchase requirement for the LWC Proposal?

RESPONSE: The Louisville Pipeline includes a 36" pipeline providing up to 30 MGD of supply capacity. LWC also proposes to maintain a 15% reserve capacity above the maximum daily system demand.

123. What is the rate of purchase for water consumed above the minimum purchase requirement but below the reserved capacity in the LWC Proposal?

RESPONSE: LWC proposes to provide water service to customers connecting to the pipeline at the rate of \$1.71 per thousand gallons.

124. What is the rate of purchase for water consumed above the reserved capacity in the LWC Proposal?

RESPONSE: LWC objects that it has not referenced a "reserved capacity." Without waiving its objection, LWC refers KAWC to its response to data request numbers 122 and 123.

125. Why were the rates of purchase of water above the minimum and reserved capacity not included in the LWC Proposal?

RESPONSE: LWC objects that it has not referenced a "reserved capacity." Without waiving its objection, LWC states that the presentation was based on LWC's standard wholesale rates.

126. Who would be responsible for capital expenditures if they were to exceed the estimate presented in the LWC Proposal for construction of facilities to KY 53?

RESPONSE: LWC.

127. Who would be responsible for capital expenditures if they were to exceed the estimate in the LWC Proposal for construction of facilities from KY 53 to the proposed termination point?

RESPONSE: Any financial risk associated with the construction of the Louisville Pipeline from a delivery point at the intersection of I-64 and Highway 53 would rest with the entities seeking service from LWC at that delivery point. LWC is willing to assist utilities with financing for water lines to connect their systems to LWC's system in order to facilitate water sales.

128. Reconcile the differences between all of your proposals made to the BWSC and to the LFUCG. You should address all proposals you have made to the BWSC and LFUCG, including but not limited to, the proposals you identified in your July 30, 2007 open records request response as: May 12, 2003 Presentation to Bluegrass Water Supply Consortium; July 9, 2003 LWC letter and proposal to Don R. Hassall; August 8, 2003 LWC letter and proposal to Don R. Hassall; October 4, 2006 Presentation to O'Brien & Gere; December 15, 2006 LWC letter and proposal to Thomas Calkins; October 25, 2006 Presentation to Master Planning and Capital Construction Committee of BWSC; and July 10, 2007 LWC Response and Proposal to LFUCG. You should also address the December 2005 proposal identified on page 5 of your October 25, 2006 presentation that was omitted from your July 30, 2007 open records response cover letter. This reconciliation should include total capital costs (by category of asset), main size, comprehensive description of pump stations, comprehensive description of storage facilities, reserve capacity, minimum daily purchase requirement, minimum daily rate, rate for purchases above minimum daily rate, rate for purchases above reserved capacity, estimated first year operating and maintenance costs, and all governmental-imposed property taxes.

RESPONSE: LWC objects that this data request is unduly burdensome insofar as it seeks information that is not contained in the referenced presentations.

129. Provide all documents constituting and/or relating to the December 2005 proposal identified on page 5 of your October 25, 2006 Presentation to the Master Planning and Capital Construction Committee of BWSC.

RESPONSE: Please see the attached December 2005 presentation to BWSC.

130. What conservation measures has LWC implemented to reduce customer demand? Provide a list of each measure by customer class for all conservation measure. Provide all conservation measure programs, the date in which they were implemented and any presentation made to each customer class regarding conservation programs.

RESPONSE: Please refer to LWC's response to CAWS data request number 5.

131. Provide all documents related to all analysis that LWC has conducted or commissioned regarding water conservation technologies and practices.

RESPONSE: Please refer to LWC's response to data request number 130.

132. Provide all conservation practices and demand management procedures proposed and/or implemented by LWC.

RESPONSE: Please refer to LWC's response to data request number 130.

133. Provide all documents relating to the measures that LWC has taken to educate all customer classes concerning demand management. Provide the amount of funds that have been spent on conservation and demand management education by customer class, and the effects of the education on demand by customer class.

RESPONSE: Please refer to LWC's response to data request number 130. LWC does not track the amount of funds that have been spent on conservation and demand management education by customer class, nor does it track the effects of the education on demand by customer class.

134. Provide the percentage of water usage by customer class and explain how conservation measures are addressed with each customer class.

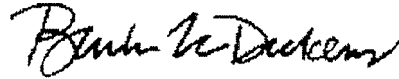
RESPONSE: For the calendar year ending December 31, 2006, the percentage of water use by customer class was:

Residential Customers	41.15%
Commercial Customers	38.86%
Industrial Customers	12.82%

Fire Services and Hydrants	0.12%
Municipal	3.38%
Wholesale Customers	<u>3.67%</u>
TOTAL	100%

LWC also refers KAWC to its response to data request number 130.


Respectfully submitted,



/s/

Barbara K. Dickens
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-and-

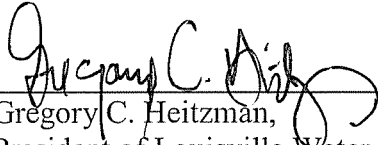


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Counsel to Louisville Water Company

CERTIFICATION

I hereby certify that I have supervised the preparation of Louisville Water Company's responses to the data requests of Kentucky American Water Company and that the responses contained herein are true and accurate to the best of my knowledge, information, and belief formed after reasonable inquiry.



Gregory C. Heitzman,
President of Louisville Water Company

Date: 10-1-2007

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by was served via first-class United States mail, sufficient postage prepaid, on the following individuals this 1st day of October, 2007:

David Jeffrey Barberie
Corporate Counsel
Lexington-Fayette Urban County Government
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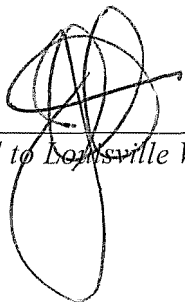
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