

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY-)	
AMERICAN WATER COMPANY TO AMEND)	CASE NO.
TARIFF TO REVISE QUALIFIED)	2023-00030
INFRASTRUCTURE CHARGE)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO KENTUCKY-AMERICAN WATER COMPANY

Kentucky-American Water Company (Kentucky-American), pursuant to 807 KAR 5:001E, shall file with the Commission an electronic version of the following information. The information requested is due on May 1, 2023. The Commission directs Kentucky-American to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and 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

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Kentucky-American shall make timely amendment to any prior response if Kentucky-American obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Kentucky-American fails or refuses to furnish all or part of the requested information, Kentucky-American shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned 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. When filing a paper containing personal information, Kentucky-American shall, in accordance with 807 KAR 5:001E, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Direct Testimony of Krista Citron (Citron Direct Testimony), page 8. Provide the actual per linear foot expense for main replacement for QIP Year 3.

2. Refer to the Citron Direct Testimony, page 9. Provide supporting documentation for the statement that material costs have increased and are anticipated to continue to increase, by as much as 12 percent to 50 percent for direct materials such as hydrants, service line, and pipe.

3. Refer to the Citron Direct Testimony, pages 11–12. Provide a draft copy of the Paving Share Agreement.

4. Refer to Citron Direct Testimony, pages 14–15.

a. Provide the estimated cost impact Kentucky-American’s Paving Pilot has had on the cost of QIP 2 and QIP 3 projects.

b. Explain the reason for executing a second contract with a paving and restoration contractor. Does this contradict the efficiency cited in the reason for the pilot as having a single point of contact?

c. Identify the second paving contractor which Kentucky-American has executed an agreement with.

d. Provide copies of the executed the paving contracts for both contractors, the request for proposals (RFP) that were issued by Kentucky-American, and all responses that Kentucky-American received that were referenced in Citron Direct Testimony, pages 14–15.

5. Refer to Case No. 2018-00358, the Direct Testimony of Brent O’Neill (O’Neill Direct Testimony) Exhibit 2, at 17² and to the Citron Direct Testimony, QIP Year 4 Project List. In Case No. 2018-00358, Kentucky-American identified main breaks that occurred during the 2012–2015 period in the context of a map of Kentucky-American’s cast iron and galvanized steel mains.

² Case No. 2018-00358, *Electronic Application of Kentucky-American Water Company for an Adjustment of Rates* (filed Nov. 28, 2018), Direct Testimony of Brent E. O’Neill, Exhibit 2 at 17.

a. Provide the number of main breaks that occurred during the 2012–2015 period that are contained on Kentucky-American’s map in the referenced Exhibit 2 at 17.

b. Provide a comparison of the total number of main breaks Kentucky-American incurred during the ten year period referenced in the final column in QIP Year 4 Project List to the number of main breaks listed on the QIP Year 4 Project List.

c. Provide an updated and legible main break map showing the location of the total main breaks Kentucky-American incurred during the ten-year period referenced in Item 7.b, in relation to the remaining cast iron and galvanized steel mains that are in Kentucky-American’s system. Also, in the updated map, identify the main breaks that were reported in Kentucky-American’s QIP Year 4 Project List.

6. Refer to Case No. 2018-00358, O’Neill Direct Testimony, Exhibit 2, Appendix. For each project listed for QIP years 1-5, provide a schedule of the information below in the provided format:

<u>Project No.</u>	<u>Project Location</u>	<u>Original QIP Year</u>	<u>QIP Year Completed/Revised</u>	<u>Original Estimated Cost</u>	<u>Revised/Actual Cost</u>
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7. Refer to Case No. 2018-00358, the O’Neill Direct Testimony Exhibit 2, and to the Citron Direct Testimony, QIP Year 4 Project List.

a. According to the schedule, of the 47 projects listed on the QIP Year 4 Project List, 33 were not included in O’Neill Exhibit 2 QIP project lists. For each of the 33 QIP 4 projects, provide a detailed explanation for these projects being excluded from the O’Neill QIP project lists for QIP1-QIP5.

b. According to Kentucky-American, over the ten-year period Project 13, Greentree Rd/Cir/Ct, has had 14 main breaks and it was originally scheduled to be

completed in QIP Year 3. Given the number of main leaks, provide a detailed explanation as to why this project was postponed until QIP Year 4.

c. Project 31, Niagara (to Trout) and Trent, is the only project proposed to be completed in the QIP 4 that was in the O'Neill Exhibit 2 original QIP 4 projects. Provide a detailed explanation as to why this is the only project that was originally scheduled for QIP Year 4.

d. In the QIP 4 project list there are two proposed projects that are in the Owenton service area. Identify the QIP projects completed in QIP1-QIP3 that were outside of the Lexington Fayette Urban County Government (LFUCG) service territory.

8. Refer to Case No. 2018-00358, O'Neill Direct Testimony, Exhibit 2, at 17. The narrative indicates "development during the time was with the inner circle". Provide a schedule listing each main that Kentucky-American has replaced that was located in Lexington's inner circle as referenced on the map, the QIP year it was replaced, the size of the main, the material type, the cost of the new main, and the estimated impact to annual water loss.

9. Refer to the Citron Direct Testimony at 6. In selecting its proposed QIP 4 projects, Kentucky-American relied on the pavement condition rating and the coordination of the QIP 4 projects with upcoming LFUCG projects.

a. Provide a schedule listing the QIP 4 projects for the period from July 1, 2023, through June 30, 2024, that have been delayed due to the pavement condition rating and the coordination. Include in the schedule the project information that is contained in the QIP 4 Project List.

b. Provide a schedule listing the QIP 4 projects for the period from July 1, 2023, through June 30, 2024, that have been accelerated due to the pavement condition rating and the coordination. Include in the schedule the project information that is contained in the QIP 4 Project List.

c. Provide the estimated cost impact the pavement condition rating and the coordination will have on the proposed QIP 4 projects for the period from July 1, 2023, through June 30, 2024.

10. Refer to the Citron Direct Testimony at 7, Table - Miles of Proposed Replacements by Material Types - QIP Years 1-5. In the table, Kentucky-American estimates that at the close of QIP 5 it would have replaced 57.2 miles of Cast Iron Mains, 1.6 miles of Asbestos Cement Mains, and 0.9 miles of Galvanized Mains. Provide the amount of each cited type of main that still needs to be replaced.

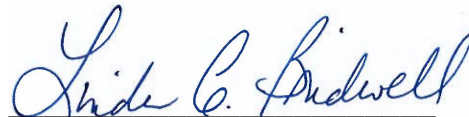
11. Refer to the Citron Direct Testimony at 13-14, beginning at Line 17, Utility Partnering Opportunities. Kentucky-American indicates that it moved QIP projects up or down on the priority ranking based on other utilities' planned work schedules.

a. Provide a schedule listing the QIP 4 projects that that have been moved up on the priority list due to Kentucky-American's Utility Partnering Opportunities. Identify the utility that Kentucky-American is coordinating its QIP project schedule with, the original year the QIP project was to be completed, and the estimated cost impact of the QIP project coordination.

b. Provide a schedule listing the QIP 4 projects that that have been moved down on the priority list due to Kentucky-American's claimed Utility Partnering Opportunities. Identify the utility that Kentucky-American is coordinating its QIP project

schedule with, the original year the QIP project was to be completed, and the estimated cost impact of the QIP project coordination.

12. Refer to the Citron Direct Testimony, QIP Year 4 Project List and to Exhibit 4, Prioritization Model. Project 10, Dove Run Road has a Prioritization Model Ranking of 200. For each project listed in the Exhibit 4, Prioritization Model that has a Total Weighted Score (Prioritization Model Ranking) greater than 200 and has not been included in QIP 1-4 main replacement projects, provide a detailed explanation as to why they were excluded from QIP 4.

A handwritten signature in blue ink that reads "Linda C. Bridwell". The signature is written in a cursive style and is positioned above a horizontal line.

Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED APR 19 2023

cc: Parties of Record

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