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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION JAN 04 2010

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

ORDERING PARAGRAPH 12 REPORT

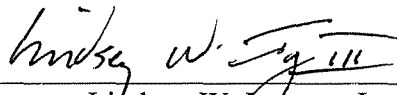
In accordance with Ordering Paragraph 12 of the Commission's April 25, 2008 Order, Kentucky-American Water Company provides the attached project progress report.

Respectfully submitted,

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and

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BY:   
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CERTIFICATE OF SERVICE

This is to certify that the original and eight (8) copies of the foregoing have been filed with the Public Service Commission this the 4<sup>th</sup> day of January, 2010, and a copy mailed to:

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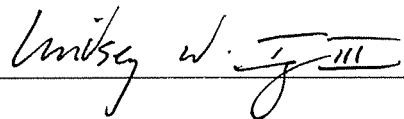
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By 

Report Period: October 1 - October 31, 2009

Water Treatment Plant:						
Work continued through October on concrete and masonry work of treatment building. Final structural concrete was poured October 8. Raw water intake construction continued with the intake work nearly completed the river. Roofing was placed on part of the treatment building and plate settlers were installed in the sedimentation basins. Leak testing began on the sludge clarifiers. A progress meeting was held on October 21 and progress calls were held October 7, 14, and 28. Work is on budget and on schedule.						
	Month (3)	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434232)
Actual	\$9,627,389	\$36,767,678	\$53,222,061	\$66,220,004	80.37%	

Pipeline:						
An additional 6,340 feet of pipe was installed for a total of 132,374 feet or 25.07 miles (82%). Work on Contract A in Franklin County began in North Elkhorn Creek. Work in Scott County continued along Iron Works Road. Four easements remain to be acquired. (96.5%). A progress meeting was held on October 20, with progress conference calls on October 6, 13, and 27. Additional pavement requirements in Franklin County by the KY Transportation Cabinet are being addressed. Work continues on schedule and on budget.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434227)
Actual	(\$4,869,535)	\$29,845,970	\$47,015,695	\$54,497,108	86.27%	

Booster Station:						
Work continued on the booster station building and installation of equipment. Yard piping installation nearly completed. A progress meeting was held October 21. Work continues on schedule and on budget.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434231)
Actual	\$815,721	\$6,305,648	\$9,072,561	\$8,666,423	104.69%	

Total Project:						
A meeting was held on October 15 at the treatment plant to coordinate filling, disinfection, and flushing between all three contracts. Overall, the project is 72% complete and is on budget and on schedule to be substantially complete in summer 2010.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	
Actual	\$6,526,029	\$68,420,131	\$116,919,014	\$162,299,101	72.04%	
Budget	\$6,603,344	\$72,133,028	\$120,631,911	\$162,299,101	74.33%	
Variance	(\$77,316)	(\$3,712,897)	(\$3,712,897)			

- 1) Financial results are as of August 31, 2009
- 2) Financial information on individual portions is for construction work only and does not include land or administrative charges which are included in the Total Project financial information.
- 3) Negative monthly charges are the result of the reversal of an accounting accrual from the previous month.

Report Period: November 1 - November 30, 2009

Water Treatment Plant:						
Work continued through November with masonry work on the treatment building and raw water intake. Raw water intake construction continued with the intake work completed in the river. Roofing was completed on all of the treatment building with the filter room as the exception. Leak testing continues on the flocculators, clarifiers, filters and sludge clarifiers. A progress meeting was held on November 18 and progress calls were held on November 4, 11, and 25. Work is on budget and on schedule.						
	Month (3)	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434232)
Actual	(\$1,216,659)	\$35,551,019	\$52,005,402	\$66,220,004	78.53%	

Pipeline:						
An additional 5,036 feet of pipe was installed for a total of 137,410 feet or 26.02 miles (85%). All of the pipe on Contract A was installed, with testing and disinfection to follow in 2010. Work on Contract B continues in Scott County and Franklin County along US 460 and Woodlake Road. All of the easements have been acquired. A progress meeting was held on November 17, with progress conference calls on November 3, 10, and 24. Additional pavement requirements in Franklin County by the KY Transportation Cabinet are being addressed. Work continues on schedule and on budget.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434227)
Actual	\$8,089,799	\$37,935,769	\$55,105,494	\$54,497,108	101.12%	

Booster Station:						
Work continued on the booster station building and installation of equipment. Yard piping installation is completed. A progress meeting was held October 17. Work continues on schedule and on budget.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434231)
Actual	(\$106,117)	\$6,199,530	\$8,966,444	\$8,666,423	103.46%	

Total Project:						
Overall, the project is 78% complete and is on budget and on schedule.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	
Actual	\$6,831,124	\$75,251,255	\$123,750,138	\$162,299,101	76.25%	
Budget	\$4,973,564	\$77,106,592	\$125,605,475	\$162,299,101	77.39%	
Variance	\$1,857,560	(\$1,855,337)	(\$1,855,337)			

- 1) Financial results are as of September 30, 2009
- 2) Financial information on individual portions is for construction work only and does not include land or administrative charges which are included in the Total Project financial information.
- 3) Negative monthly charges are the result of the reversal of an accounting accrual from the previous month.

Report Period: December 1 - December 31, 2009

<b>Water Treatment Plant:</b>						
Work continued through December on interior masonry work of treatment building. Raw water intake construction continued with masonry work and the roof set. Work continued on installing the raw water line from the intake. Leak testing continued on the clarifier, settling basins and filters, as well as the high service pipe and chemical feed piping. A progress meeting was held on December 16 and progress calls were held December 2, 9 22 and 30. Work is on budget and on schedule.						
	Month (3)	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434232)
Actual	\$6,424,148	\$41,975,167	\$58,429,550	\$66,220,004	88.24%	

<b>Pipeline:</b>						
An additional 1,846 feet of pipe was installed for a total of 134,220 feet or 25.42 miles (83%). Work continued on Contract B in Scott County and Franklin County. A progress meeting was held on December 15, with progress conference calls on December 1, 8 and 22. Work continues on schedule and on budget.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434227)
Actual	(\$3,310,019)	\$34,625,749	\$51,795,475	\$54,497,108	95.04%	

<b>Booster Station:</b>						
Work continued on the booster installation of equipment. Contractor is waiting on permanent power from Kentucky Utilities to be run. A progress meeting was held December 15 and a conference call on December 1. Work continues on schedule and on budget.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434231)
Actual	\$1,083,934	\$7,283,464	\$10,050,378	\$8,666,423	115.97%	

<b>Total Project:</b>						
Work continues on budget and on schedule with the overall project approximately 80% complete.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	
Actual	\$5,603,656	\$80,854,911	\$129,353,794	\$162,299,101	79.70%	
Budget	\$3,486,836	\$80,593,428	\$129,092,311	\$162,299,101	79.54%	
Variance	\$2,116,820	\$261,483	\$261,483			

- 1) Financial results are as of November 30, 2009
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- 3) Negative monthly charges are the result of the reversal of an accounting accrual from the previous month.