

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE  
COMMISSION

IN THE MATTER OF: )  
)  
THE APPLICATION OF KENTUCKY-AMERICAN )  
WATER COMPANY FOR A CERTIFICATE OF ) CASE NO. 2007-00134  
CONVENIENCE AND NECESSITY AUTHORIZING )  
THE CONSTRUCTION OF KENTUCKY RIVER )  
STATION II, ASSOCIATED FACILITIES AND )  
TRANSMISSION MAIN )

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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CERTIFICATE OF SERVICE

This is to certify that the original and ten (10) copies of the foregoing have been filed with the Public Service Commission this the 3<sup>rd</sup> day of January, 2011, and a copy mailed to:

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STOLL KEENON OGDEN, PLLC

By Lindsay W. Jones III

**Kentucky American Water  
Pool 3 Water Treatment Plant  
Progress Report**

Report Period: October 1 - October 31, 2010

<b>Water Treatment Plant:</b>						
Plant was placed in-service on September 20, 2010 with Substantial Completion October 18.						
	Month (3)	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434232)
Actual	\$1,609,715	\$17,957,739	\$77,080,643	\$77,416,006	99.57%	

<b>Pipeline:</b>						
Final clean-up continued on the pipeline. Final reseeding postponed due to dry weather.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434227)
Actual	(\$1)	\$5,405,333	\$62,760,551	\$63,711,087	98.51%	

<b>Booster Station:</b>						
Final clean-up work and SCADA installation continued.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434231)
Actual	(\$429,845)	\$775,680	\$10,695,211	\$10,131,679	105.56%	

<b>Total Project:</b>						
Overall the project is 99% complete and is on schedule and on budget.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	
Actual	\$1,479,503	\$27,283,640	\$161,996,091	\$163,885,837	98.85%	
Budget	\$1,778,648	\$27,151,247	\$161,472,166	\$163,885,837	98.53%	
Variance	(\$299,145)	\$132,393	\$523,924			

1) Financial results are as of September 30, 2010.

2) Financial information on individual portions of the project are revised beginning in January 2010 from previous progress reports which reflected only the construction budget, and now include projected soft costs for each individual portion. The individual component financial information above does not include land, tax-exempt interest charges, and preliminary supply development charges which were \$299,634 for the month, \$3,144,891 for the YTD, \$12,253,901 for the total project and \$12,627,065 for the Total Budget.

3) Negative monthly charges are the result of the reversal of an accounting accrual from the previous month.

## Kentucky American Water Pool 3 Water Treatment Plant Progress Report

Report Period: November 1, - November 30, 2010

Water Treatment Plant:						
Final punchlist items ongoing.						
	Month (3)	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434232)
Actual	\$1,791,758	\$19,749,496	\$77,080,643	\$77,416,006	99.57%	

Pipeline:						
Final reseeding completed.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434227)
Actual	(\$1,202,282)	\$4,203,051	\$62,760,551	\$63,711,087	98.51%	

Booster Station:						
Final punchlist items ongoing.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434231)
Actual	\$204,736	\$980,416	\$10,695,211	\$10,131,679	105.56%	

Total Project:						
Overall the project is 99% complete and is on schedule and on budget.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	
Actual	\$799,501	\$28,083,141	\$162,795,591	\$163,885,837	99.33%	
Budget	\$957,287	\$28,108,534	\$162,429,453	\$163,885,837	99.11%	
Variance	(\$157,786)	(\$25,393)	\$366,138			

- 1) Financial results are as of October 31, 2010.
- 2) Financial information on individual portions of the project are revised beginning in January 2010 from previous progress reports which reflected only the construction budget, and now include projected soft costs for each individual portion. The individual component financial information above does not include land, tax-exempt interest charges, and preliminary supply development charges which were \$5,785 for the month, \$3,150,676 for the YTD, \$12,259,686 for the total project and \$12,627,065 for the Total Budget.
- 3) Negative monthly charges are the result of the reversal of an accounting accrual from the previous month.

**Kentucky American Water  
Pool 3 Water Treatment Plant  
Progress Report**

Report Period: December 1 - December 31, 2010

Water Treatment Plant:						
Final punchlist items ongoing.						
	Month (3)	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434232)
Actual	\$1,462,297	\$21,211,794	\$78,542,940	\$77,416,006	101.46%	

Pipeline:						
Contract completed. Reseeding may be required in spring under warranty.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434227)
Actual	\$835,416	\$5,038,467	\$63,595,967	\$63,711,087	99.82%	

Booster Station:						
Final punchlist items ongoing.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434231)
Actual	\$146,688	\$1,127,104	\$10,841,899	\$10,131,679	107.01%	

Total Project:						
Overall the project is 99% complete and is on schedule and on budget.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	
Actual	\$375,258	\$28,458,399	\$163,170,849	\$163,885,837	99.56%	
Budget	\$850,700	\$28,959,234	\$163,280,153	\$163,885,837	99.63%	
Variance	(\$475,442)	(\$500,835)	(\$109,304)			

1) Financial results are as of November 30, 2010.

2) Financial information on individual portions of the project are revised beginning in January 2010 from previous progress reports which reflected only the construction budget, and now include projected soft costs for each individual portion. The individual component financial information above does not include land, tax-exempt interest charges, and preliminary supply development charges which were \$0 for the month, \$3,150,676 for the YTD, \$12,259,686 for the total project and \$12,627,065 for the Total Budget.