

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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APR 01 2011

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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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 1st day of April, 2011, and a copy mailed to:

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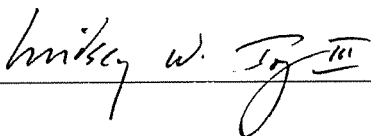
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STOLL KEENON OGDEN, PLLC

By  _____

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

Report Period: January 1 - January 31, 2011

Water Treatment Plant:						
Final punchlist items ongoing.						
	Month (3)	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434232)
Actual	\$92,418	\$21,304,211	\$78,635,358	\$77,416,006	101.58%	

Pipeline:						
Contract completed. Reseeding may be required in spring under warranty.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434227)
Actual	\$103,921	\$5,142,388	\$63,699,888	\$63,711,087	99.98%	

Booster Station:						
Final punchlist items ongoing.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434231)
Actual	\$14,827	\$1,141,931	\$10,856,726	\$10,131,679	107.16%	

Total Project:						
Overall the project is 99.5% complete and is on schedule and on budget.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	
Actual	\$217,340	\$28,675,739	\$163,388,189	\$163,885,837	99.70%	
Budget	\$405,684	\$29,364,918	\$163,685,837	\$163,885,837	99.88%	
Variance	(\$188,344)	(\$689,179)	(\$297,648)			

1) Financial results are as of December 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 \$6,175 for the month, \$3,156,851 for the YTD, \$12,265,861 for the total project and \$12,627,065 for the Total Budget.

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

Report Period: February 1 - February 28, 2011

Water Treatment Plant:						
Final punchlist items ongoing.						
	Month (3)	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434232)
Actual	\$283,102	\$283,102	\$78,918,460	\$77,416,006	101.94%	

Pipeline:						
Contract completed. Reseeding may be required in spring under warranty.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434227)
Actual	(\$47,051)	(\$47,051)	\$63,652,837	\$63,711,087	99.91%	

Booster Station:						
Final punchlist items ongoing.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434231)
Actual	(\$11,151)	(\$11,151)	\$10,845,575	\$10,131,679	107.05%	

Total Project:						
Overall the project is 99.75% complete and is on schedule and on budget.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	
Actual	\$223,900	\$223,900	\$163,612,090	\$163,885,837	99.83%	
Budget	\$24,101	\$24,101	\$163,709,938	\$163,885,837	99.89%	
Variance	\$199,799	\$199,799	(\$97,849)			

1) Financial results are as of January 31, 2011.

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 (\$1,000) for the month, (\$1,000) for the YTD, \$12,264,861 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: March 1 - March 31, 2011

Water Treatment Plant:						
Final punchlist items ongoing.						
	Month (3)	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434232)
Actual	\$49,756	\$332,858	\$78,968,216	\$77,416,006	102.01%	

Pipeline:						
Contract completed. Reseeding may be required in spring under warranty.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434227)
Actual	\$3,882	(\$43,169)	\$63,656,719	\$63,711,087	99.91%	

Booster Station:						
Final punchlist items ongoing.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434231)
Actual	(\$22,250)	(\$33,401)	\$10,823,325	\$10,131,679	106.83%	

Total Project:						
Overall the project is 99.8% complete and is on schedule and on budget.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	
Actual	\$30,494	\$254,394	\$163,642,584	\$163,885,837	99.85%	
Budget	\$24,101	\$48,202	\$163,734,039	\$163,885,837	99.91%	
Variance	\$6,393	\$206,192	(\$91,456)			

- 1) Financial results are as of February 28, 2011.
- 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 (\$894) for the month, (\$1,894) for the YTD, \$12,264,967 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.