

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

RECEIVED

OCT 03 2011

PUBLIC SERVICE
COMMISSION

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.

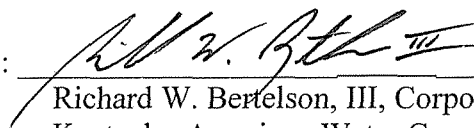
Respectfully submitted,

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and

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BY: _____



Richard W. Bertelson, III, Corporate Counsel
Kentucky-American Water Company

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 3rd day of October, 2011, and a copy mailed to:

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STOLL KEENON OGDEN PLLC
KENTUCKY-AMERICAN WATER COMPANY

By  _____

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

Report Period: July 1 - July 31, 2011

Water Treatment Plant:						
Warranty work continues.						
	Month (3)	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434232)
Actual	\$44,278	\$398,713	\$79,034,070	\$77,416,006	102.09%	

Pipeline:						
Contract Completed.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434227)
Actual	\$0	(\$39,679)	\$63,660,209	\$63,711,087	99.92%	

Booster Station:						
Warranty work continues.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434231)
Actual	\$0	(\$63,733)	\$10,792,993	\$10,131,679	106.53%	

Total Project:						
Overall the project is 100% complete and is on schedule and on budget. Final warranty work is being completed. Final payments accrued in previous months.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	
Actual	\$44,278	\$293,407	\$163,621,017	\$163,885,837	99.84%	
Budget	\$30,382	\$200,000	\$163,774,511	\$163,885,837	99.93%	
Variance	\$13,896	\$93,407	(\$153,495)			

1) Financial results are as of June 30, 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 (\$0) 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.

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

Report Period: August 1 - August 31, 2011

Water Treatment Plant:						
Warranty work continues.						
	Month (3)	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434232)
Actual	\$16,590	\$415,302	\$79,050,660	\$77,416,006	102.11%	

Pipeline:						
Contract Completed.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434227)
Actual	\$46,915	\$7,236	\$63,707,124	\$63,711,087	99.99%	

Booster Station:						
Warranty work continues.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434231)
Actual	(\$109,637)	(\$173,370)	\$10,683,356	\$10,131,679	105.45%	

Total Project:						
Overall the project is 100% complete and is on schedule and on budget. Final warranty work is being completed. Final payments accrued in previous months.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	
Actual	(\$26,056)	\$267,351	\$163,621,017	\$163,885,837	99.84%	
Budget	\$0	\$200,000	\$163,774,511	\$163,885,837	99.93%	
Variance	(\$26,056)	\$67,351	(\$153,495)			

1) Financial results are as of July 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 \$20,076 for the month, \$18,182 for the YTD, \$12,285,043 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: September 1 - September 30, 2011

Water Treatment Plant:						
Warranty work continues.						
	Month (3)	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434232)
Actual	\$66,446	\$481,748	\$79,117,106	\$77,416,006	102.20%	

Pipeline:						
Contract Completed. Erroneous accrual from previous month reversed.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434227)
Actual	(\$53,000)	(\$45,764)	\$63,654,125	\$63,711,087	99.91%	

Booster Station:						
Final payment complete. Contract complete.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	(Work Order 434231)
Actual	\$109,000	(\$64,370)	\$10,792,356	\$10,131,679	106.52%	

Total Project:						
Overall the project is 100% complete and is on schedule and on budget. Final warranty work is being completed. Final payments accrued in previous months.						
	Month	YTD	Total Project	Total Budget(2)	Percent Complete	
Actual	\$102,446	\$369,797	\$163,621,017	\$163,885,837	99.84%	
Budget	\$0	\$200,000	\$163,774,511	\$163,885,837	99.93%	
Variance	\$102,446	\$169,797	(\$153,495)			

- 1) Financial results are as of August 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 (\$20,000) for the month, (\$1,818) for the YTD, \$12,265,043 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.