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PUBLIC SERVICE
COMMISSION

Via Hand-Delivery

April 24, 2012

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Re: Tariff Filing of Kentucky-American Water Company to Establish a Late Payment Fee, Case No. 2012-00200

Dear Mr. Derouen:

On behalf of the Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, Inc., (hereinafter "CAC"), I am requesting that a formal investigative case be established on the above tariff filing.

CAC, whose address is P.O. Box 11610, Lexington, Kentucky 40576, is a non-profit, 501(c)(3) community action agency which provides social services, including energy assistance and related services, to numerous low-income residents in Kentucky-American Water Company's service territory. CAC administers *Help to Others* through contributions from Kentucky-American Water shareholder funds and customer donations. These funds are available throughout the Kentucky-American service territory for customers with household incomes up to 150 percent of the federal poverty guidelines. Assistance is provided for water service, activation fees and reactivation fees. Each year the funds available are not adequate for the number of low-income customers in need.

The application for the above tariff filing proposes to implement a fee of five (5) percent for customers that pay their bills after the due date. This application does not provide for or propose a waiver for organizations that provide assistance payments to Kentucky-American for low-income customers' water bills. Failure to waive the late payment fee in instances of low-income assistance payments will result in further limiting the already substantially inadequate funds available for assistance. CAC will be adversely affected by this tariff, and its ability to assist its low-income customers will be greatly compromised.

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Other utilities such as Kentucky Utilities Company and Louisville Gas and Electric Company waive the late payment fee in instances where CAC or another energy assistance agency makes the assistance payment.

CAC respectfully requests the Commission to establish a formal investigative case in this matter so that this issue can be examined by the Commission. CAC also requests that the Commission make this investigation before the tariff is effective. CAC urges the Commission to require Kentucky-American Water Company to include an exception to the late payment requirement for assistance payments.

Sincerely,



Iris G. Skidmore

c: Brent Kirtley, Manager, Tariff Branch