

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2015-00418
COMMUNITY ACTION COUNCIL'S FIRST REQUEST FOR INFORMATION

Witness: Linda C. Bridwell

1. What is the total amount of funding Kentucky American Water Company has contributed in each year 2011, 2012, 2013, 2014, and 2015 to all programs that directly assist its low-income customers in paying their water bills?

Response:

Kentucky American Water contributed the following amounts to programs that directly assist its low-income customers with paying their water bills:

2011 \$61,250

2012 \$60,500

2013 \$60,000

2014 \$64,188

2015 \$60,000

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Witness: **Linda C. Bridwell**

- 2.** What is the total amount of funding Kentucky American Water Company has contributed in each year 2011, 2012, 2013, 2014 and 2015 to the Help to Others (H2O) program to assist its low-income customers in paying their water bills?

Response:

Kentucky American Water contributed the following amounts to the H2O Help to Others program for the years indicated:

2011 \$60,000

2012 \$60,000

2013 \$60,000

2014 \$64,188

2015 \$60,000

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3. How much have Kentucky American Water Company ratepayers, through voluntary donations, contributed to the Help to Others (H2O) program in each year 2011, 2012, 2013, 2014, and 2015?

Response:

Kentucky American Water provided the following dollar amounts to the H2O Help to Others program for the years indicated, which were obtained from ratepayer contributions to the program.

2011 \$405.91

2012 \$586.00

2013 \$682.18

2014 \$377.00

2015 \$360.18

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Witness: **Kevin N. Rogers**

4. Please provide a list of Kentucky counties in which Kentucky American Water Company provides service and the number of residential customers in each of those counties.

Response:

County	Customer Class	Active Customer Count
Bourbon County	Residential	1,172
Clark County	Residential	1,405
Fayette County	Residential	104,220
Harrison County	Residential	98
Scott County	Residential	5,378
Woodford County	Residential	204
Gallatin County	Residential	170
Grant County	Residential	59
Owen County	Residential	3,550
	Total	116,256

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- 5.** What is the current average total monthly water usage for residential customers of Kentucky American Water Company?

Response:

The average total monthly water usage for residential customers for the base period ending April 30, 2016 is 4,130 gallons per month.

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- 6.** Has Kentucky American Water Company calculated the likely impact of the requested residential rate increase on shutoffs and arrearages? If yes, what are the results of that calculation?

Response:

No.

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7. Given that the proposed increase in rates will make water less affordable for many residential customers, explain Kentucky American Water Company's plan to prevent increases in its shutoff rates and the amount of arrearages owed by its residential customers?

Response

Kentucky American Water has continued to educate its customers on wise water use through a variety of educational efforts, and on ways to prevent and address water leaks in the home, which can result in high water bills. In particular we have engaged with partners who are in touch with a network of limited income families, such as Lexington Habitat for Humanity, to provide educational information about water use management and water leak prevention. We continue to seek other such opportunities.

The Company has also worked with the administrator of the H2O Help to Others program to increase the number of limited-income customers eligible for H2O Help to Others program assistance by modifying the requirements for eligibility. Effective February 1, 2016, an eligible customer's total gross household income must be at or below 200 percent of the 2016 Federal Poverty Income Guidelines, the customer must have paid at least \$25 toward their water bill prior to applying for assistance, and the customer must have a balance of at least \$50 outstanding on their account. In addition, also effective February 1, 2016, the H2O Help to Others maximum grant provided annually to customers who qualify is \$125, an increase over the previous amount of \$100.

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- 8.** Other than its contribution to H2O, what steps has Kentucky American Water Company taken since its last rate case to make water more affordable for its low-income customers?

Response:

Please see response to Item 7 of this same request.

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9. Please identify all American Water companies that offer low-income rates or other options for making water more affordable for their low income customers and what option is offered by each company.

Response:

American Water provides assistance programs in 9 of our states.¹ Most of these are funded by the operating company, along with donations made by customers, and grants are provided on an as-needed basis.

New Jersey American Water Company offers a H2O Conservation Program. The Company's Conservation Program offerings applicable to qualified low income residential customers are free of charge and can include instructions on performing a home water audit, a retrofit kit for use with certain appliances and fixtures, and a leak repair of fixtures for which the customer is normally responsible up to a \$300 maximum. Customers must be a part of the H2O Discount Program ("LIPP") to be eligible for the H2O Conservation Program.

Pennsylvania American Water Company offers a Conservation Program. Conservation Consultants, Inc. administers the conservation program for the company. The company offers to qualified customers, education on conservation measures, conservation kits with water saving devices (and installation assistance for those who are unable to install the devices) and minor plumbing repairs for those with plumbing leaks. Customers who qualify for the Low Income Payment Program also qualify for the conservation services.

In 4 states², we also have low income tariff programs, with discounts provided to the fixed charge or overall rates. These are generally developed as part of the rate design, and thus are funded by customers.

In West Virginia, state funding has also been a creative solution to low income rates. State law permits rate reductions for low income water customers, while also allowing any revenue deficiencies that result to be reimbursed to the utility through state tax credits.

¹ NJ, MO, IL, TN, KY, IA, VA have "H2O Help to Others"; PA & WV have "Dollar Energy."

² WV, NJ, PA & CA