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Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Linda K. Breathitt
Commissioner

June 3, 2013

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David J. Barberie, Esq.
Department of Law
Lexington-Fayette Urban County Government
200 East Main Street
Lexington, Kentucky 40507

Lindsey W. Ingram, III, Esq.
Monica Braun, Esq.
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300 West Vine Street
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Lexington, Kentucky 40507-1801

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Attorney General's Office
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601-8204

Iris G. Skidmore, Esq.
Bates and Skidmore
Suite 2
415 W. Main Street
Frankfort, Kentucky 40601

Re: Case No. 2012-00520
Kentucky-American Water Company

Ladies and Gentlemen:

Enclosed is a summary of the comments made at the public meeting of May 28, 2013. The CD-ROM, to which the summary refers, is not included. A copy of the CD-ROM's contents may be viewed at ftp://162.114.3.167/2012-00520/2012-00520_28May13.wmv. The summary and its attachments have been filed in the record of the above-referenced case. Any objections to this action should be submitted to the Commission within five days of receipt of this letter.

Sincerely,

Jeff Derouen
Executive Director

gw
Enclosures

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2012-00520

FROM: Gerald Wuetcher **GEW**
Executive Advisor/Attorney

DATE: June 3, 2013

RE: Public Hearing of May 28, 2013

On May 28, 2013, the Commission held a public hearing at Bryant Station High School, 201 Eastin Road, Lexington, Kentucky, to take public comment on Kentucky-American Water Company's ("KAWC") proposed rate adjustment. Commissioners David Armstrong, James Gardner, and Linda K. Breathitt were present. At the request of Chairman Armstrong, Vice Chairman Gardner presided.

Commissioner Gardner called the hearing to order at 6:20 p.m. He recognized Commission Staff members and counsel for the parties who were present. (A listing of all members of the public present at the hearing is set forth in Attachment 1.) He set forth the purpose for the hearing and the procedure that would be followed.

At 6:26 p.m. Lexington-Fayette Urban County Mayor Jim Gray spoke in opposition to the proposed rate adjustment. He stated that KAWC was attempting to force the citizens of Lexington to pay for KAWC's poor business decisions. He stated that KAWC, by choosing to construct the Kentucky River Station II plant, had made a poor business decision. He stated that, in light of increased water conservation and falling industrial customer demand, the water treatment facility was not needed and that KAWC now suffered from excess capacity. To eliminate this unneeded capacity, furthermore, KAWC was now acquiring smaller water systems, such as Owenton. He further criticized KAWC's refusal to continue billing for Lexington-Fayette Urban County Government's ("LFUCG") sewer and storm water services. He stated that KAWC's refusal had cost the citizens of Lexington approximately \$3.2 million. Mayor Gray urged the Commission to reject the proposed rate adjustment.

At 6:33 p.m. Mr. Don Pratt stated his opposition to the proposed adjustment. He stated that the proposed increase is the result of the construction of an unneeded water treatment plant and would hurt lower income persons. He urged the Commission to reject the proposed increase.

At 6:38 p.m. Mr. Ray Link expressed concern about KAWC's refusal to bill for LFUCG's sewer and storm water services. He urged the Commission, if it found that

KAWC had lost revenue as a result of its decision, to impute that forsaken revenue to KAWC when determining KAWC's rates.

At 6:39 p.m. Douglas Slaughter asked whether KAWC's application was available on the Commission's website. After being advised that it was, Mr. Slaughter urged the Commission to deny the requested riders for distribution main replacement and chemical/purchased power. He stated that the proposed riders represented a threat to the Commission's ratemaking authority.

As no other speakers appeared, Commissioner Gardner closed the hearing at 6:42 p.m.

A CD-ROM containing a video of the hearing is attached to this memorandum.

cc: Parties of Record

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PUBLIC MEETING - SIGN-IN SHEET

Kentucky-American Water Co. – Case No. 2012-00520
Lexington – May 28, 2013

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?
1 Monica Braun	300 W. Vine St, Suite 2100, Lexington, KY 40507	YES <input checked="" type="radio"/> NO
2 Heather Bailey	520 TONER ST LEXINGTON KY 40511	YES <input checked="" type="radio"/> NO
3 Cameron Love	2180 Lexington Rd., Versailles, KY	YES <input checked="" type="radio"/> NO
4 Pat Lister	3109 OLD CROCKET, LEXINGTON	YES <input checked="" type="radio"/> NO
5 Dave Barberie	200 E MAIN (L.F. 166)	YES <input checked="" type="radio"/> NO
6 Charles Boland	2300 Richmond Rd, Lex Ky 40502	YES <input checked="" type="radio"/> NO
7 Carolyn Hawksworth	250 Market St., Lex. 40507	YES <input checked="" type="radio"/> NO
8 Susan Lancho	2300 Richmond Rd. Lex 40502	YES <input checked="" type="radio"/> NO
9 Kevin Kuchinski	2300 Richmond Rd Cen 40507	YES <input checked="" type="radio"/> NO
10 Zach Duvess	2300 RICHMOND RD LEX 40507	YES <input checked="" type="radio"/> NO

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PUBLIC MEETING - SIGN-IN SHEET
Kentucky-American Water Co. – Case No. 2012-00520
Lexington – May 28, 2013

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?
1 <u>Lindsey Ingram</u>	<u>2204 Silktree Ct, Lex 14 40513</u>	YES <input checked="" type="radio"/> NO
2 <u>CHERYL NORTON</u>	<u>2300 Richmond Rd Lex Ky 40502</u>	YES <input checked="" type="radio"/> NO
3 <u>Kathleen Linck</u>	<u>3109-Old Crow Ct. Lex. Ky 40502</u>	YES <input checked="" type="radio"/> NO
4 <u>Janet Graham</u>	<u>3153 Hyde Park Drive Lex 40503</u>	YES <input checked="" type="radio"/> NO
5 <u>Mayor Gray</u>	<u>201 E. Main Str. Lex. 40507</u>	<input checked="" type="radio"/> YES NO
6 <u>John Hackworth</u>	<u>220 Market St Lex 40507</u>	YES <input checked="" type="radio"/> NO
7 <u>Ellen Williams</u>	<u>2300 Richmond Rd. 40502</u>	YES <input checked="" type="radio"/> NO
8 <u>JAROLD JACKSON</u>	<u>2300 Richmond Rd 40502</u>	YES <input checked="" type="radio"/> NO
9 <u>Dorothy Johnson</u>	<u>3493 Colonnade 40515</u>	YES <input checked="" type="radio"/> NO
10 <u>Doug Brock</u>	<u>1033 Cedar Ridge 40383</u>	YES <input checked="" type="radio"/> NO

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Name	Address	DO YOU WISH TO SPEAK?	
1 Brent Owen	3348 GARDEN LANE, EDWARDSVILLE IL	YES	<input checked="" type="radio"/> NO
2 Peter Yuen	2168 ALLEGHENY LANE	YES	<input checked="" type="radio"/> NO
3 Dennis Spaul	1027 Cypress Hill Center Drive Frankfurt 40601	YES	<input checked="" type="radio"/> NO
4 Linda Bridwell	3300 Higgins Ct.	YES	<input checked="" type="radio"/> NO
5 Rufus Friday	900 Midland Ave	YES	<input checked="" type="radio"/> NO
6 Pamela Mitchell	2941 Candlelight Way 40502	YES	NO ?
7 Sandra D. Robertson	969 St. Martins Ave Lexington 40511	YES	<input checked="" type="radio"/> NO
8 Jacob D-Slaughter	3220 Mirror Lake Dr Lex 40515	<input checked="" type="radio"/> YES	<input checked="" type="radio"/> NO
9 Harry Clarke	3299 Ridgecove Rd	YES	NO ?
10 DON PRATT	210 WALTON LEX 40502	<input checked="" type="radio"/> YES	NO

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Name	Address	DO YOU WISH TO SPEAK?
1 Ging Money	333 Lakeshore Dr Lex 40502	YES <input checked="" type="radio"/> NO
2 Mark Frost		YES <input type="radio"/> NO
3 Melissa Schwarzell	2300 Richmond Rd Lex 40502	YES <input checked="" type="radio"/> NO
4 David Kish		YES <input checked="" type="radio"/> NO
5 Michael Kerwin	1225 E. Cooper Dr. Lex 40502	YES <input checked="" type="radio"/> NO
6 Rachel Cole	2153 Rollingdale Rd 40513	YES <input checked="" type="radio"/> NO
7 Donna Hall	392 Marble Rock Lex 40503	YES <input type="radio"/> NO
8 Amy Wickliffe	2414 Lake Park Rd Lex 40502	YES <input checked="" type="radio"/> NO
9 Anne Joseph	344 Irvine Rd 40502	YES <input checked="" type="radio"/> NO
10 Kit McKelley	244 N. Broadway	YES <input checked="" type="radio"/> NO

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PUBLIC MEETING - SIGN-IN SHEET
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Lexington – May 28, 2013

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?	
1 Tom Marshall		YES	<input checked="" type="radio"/> NO
2		YES	NO
3		YES	NO
4		YES	NO
5		YES	NO
6		YES	NO
7		YES	NO
8		YES	NO
9		YES	NO
10		YES	NO