

Matthew G. Bevin
Governor

Charles G. Snaveley
Secretary
Energy and Environment Cabinet



Commonwealth of Kentucky
Public Service Commission
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Daniel E. Logsdon Jr.
Vice Chairman

Robert Cicero
Commissioner

June 15, 2016

PARTIES OF RECORD

Re: Case No. 2015-00418
Minutes of the Information Session and Public Meeting
Bluegrass Community and Technical College, Leestown Campus
June 7, 2016

Attached is a copy of the memorandum summarizing the public meeting held June 7, 2016, in Lexington, Kentucky, which is being filed in the record of the above-referenced case. If you have any questions, please contact David Spenard, Staff Attorney, at 502-782-2580.

Sincerely,

A handwritten signature in blue ink that reads "Stephanie Bell".

Aaron D. Greenwell
Acting Executive Director

DES/ph

Attachments

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY-)
AMERICAN WATER COMPANY FOR) Case No. 2015-00418
AN ADJUSTMENT OF RATES)

MINUTES OF THE INFORMATION SESSION AND PUBLIC MEETING
BLUEGRASS COMMUNITY AND TECHNICAL COLLEGE
LEESTOWN CAMPUS, CONFERENCE CENTER
LEXINGTON, KENTUCKY
JUNE 7, 2016, 5:30 P.M.

A public information session and public meeting was held at Bluegrass Community and Technical College, Leestown Campus, in Lexington, Kentucky, on June 7, 2016. Andrew Melnykovich, Director of Communications for the Public Service Commission, conducted the information session introducing the Commission and Commission Staff, and he explained the procedure and protocol for the information session and public hearing. Mr. Melnykovich then presented an overview of the legal basis, criteria and review process for the Commission's consideration of applications for proposed rate increases. The presentation included a general overview of the instant application, explained which aspects of this case are within the Commission's jurisdiction, and concluded with a question-and-answer period.

At the conclusion of the information session and after a short intermission, Vice Chairman Daniel E. Logsdon, Jr., initiated the public hearing portion of the meeting, provided a brief overview of the case at bar and the parties involved, and explained the procedure and protocol for the taking of comments. Vice Chairman Logsdon then

invited the public to make comments to the Commission regarding Kentucky-American Water Company's ("KAWC") application for an adjustment in rates to increase adjusted annual revenue from water rates by approximately \$13.45 million, to establish a Qualified Infrastructure Program ("QIP") surcharge, and for an increase in tap-on fees. The following individuals spoke at the public meeting:

1. Lovell C. Foushee III: Mr. Foushee thanked the Commission for Mr. Melnykovych's presentation and also the opportunity to speak. He stated that he had filed written comments and received a reply to those comments from the Kentucky Office of the Attorney General. He stated that he had spoken with representatives of KAWC. Mr. Foushee stated that he had a number of reasons as to why he is against the water rate increase; further, he stated that the city of Lexington should control the water company.

2. Marty Soloman: Dr. Soloman stated that he was puzzled concerning the fair and reasonable concept of ratemaking. He stated that he assumed that the rates granted to KAWC in 2008 were copacetic and further that he had reviewed KAWC's annual reports on file at the Commission for the years since 2008. Dr. Soloman stated that every year KAWC reports net income, the amount after all expenses are paid, and that on an annual basis the net profit goes up 85 percent for an 850% increase in profits over ten years. He stated that he has a difficult time understanding how KAWC's rates are reasonable. He stated that he does not understand how KAWC is eligible for a rate increase and that it seems that KAWC is eligible for rate decrease. Dr. Solomon stated that reasonable increases and 85 percent a year profit increases are incompatible. Dr. Solomon indicated that the Commission should look at this issue.

3. Warren Rogers: Mr. Rogers thanked the Commission for the opportunity to address the Commission. He stated that he owns a construction company that builds water and wastewater treatments plants in Kentucky and surrounding states. His company's projects include work for municipal utilities and also KAWC. He stated that he is thankful that he lives in a community where the water utility is concerned about the infrastructure and invests regularly in the infrastructure and keeps it up to standards to deliver quality water service to its customers. He stated that he and his family have good, clean, reliable water service in Lexington. He stated that he does not want the PSC to do anything to discourage KAWC from continuing to invest in infrastructure improvements.

4. Marilyn Dishman: Ms. Dishman stated that she had spoken with representatives of KAWC who had answered her questions and done a good job of explaining things to her. She wanted this fact to be known on the record and further stated that she does not have any more questions.

No other member of the public wished to make a comment. The public hearing was then adjourned. All persons in attendance were asked to sign in and provide their home address for the record. The sign-in sheet is attached hereto as Appendix A.

APPENDIX A

APPENDIX A TO A PUBLIC MEETING SUMMARY OF THE KENTUCKY
PUBLIC SERVICE COMMISSION IN CASE NO. 2015-00418 DATED

PUBLIC MEETING - SIGN-IN SHEET

Case No. 2015-00418- Kentucky-American Water Co. rate adjustment
Lexington, June 7, 2016

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?
1 <u>Monica Braun</u>	<u>300 W. Vine St, Suite 2100, Lex, KY 40507</u>	YES <input type="radio"/> NO <input checked="" type="radio"/>
K 2 <u>JAMES OSBORN</u>	<u>520 MARBLE ROCK WAY LEX KY 40503</u>	YES <input checked="" type="radio"/> NO <input type="radio"/>
3 <u>Justin Senebaugh</u>	<u>2552 Spring Valley Loop Lex KY 40511</u>	YES <input type="radio"/> NO <input checked="" type="radio"/>
4 <u>Adan Tilley</u>	<u>220 Richardson Pl Lex. KY 40509</u>	YES <input type="radio"/> NO <input checked="" type="radio"/>
5 <u>KEVIN ROGER'S</u>	<u>4057 MOONCOIN WAY LEX KY 40515</u>	YES <input type="radio"/> NO <input checked="" type="radio"/>
6 <u>Glenn Money</u>	<u>122 Forest Ave Lex KY 40508</u>	YES <input type="radio"/> NO <input checked="" type="radio"/>
7 <u>Kent Chandler</u>	<u>1024 Capital Center Dr Frankfort KY 40601</u>	YES <input type="radio"/> NO <input checked="" type="radio"/>
8 <u>Kurt Kogler</u>	<u>250 Bell Pl #3 Lexington 40509</u>	YES <input type="radio"/> NO <input checked="" type="radio"/>
9 <u>Cody Brenneman</u>	<u>110 Woods Point Cir Georgetown, KY</u>	YES <input type="radio"/> NO <input checked="" type="radio"/>
10 <u>Don Walker</u>	<u>2020 Arroyo Mill #732 Lewis, KY 41515</u>	YES <input type="radio"/> NO <input type="radio"/>

PUBLIC MEETING - SIGN-IN SHEET

Case No. 2015-00418- Kentucky-American Water Co. rate adjustment
Lexington, June 7, 2016

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?	
1 David Spensard	PSC 5111	YES	NO
2 Lindsey Ingram	5120 300 W. Vine St # 2100 Lex KY	YES	NO
3 Angela Goad	OAG 1027 Capital Center Drive Frankfort, Ky	YES	NO
4 David Shehee	2300 Richmond Rd, Lexington	YES	NO
+5 Lovell C. Foushee III	5924 Parkers Mill Road, Lexington KY 40513	YES	NO
+6 MARTY SOLONOW	3913 ROCK LEDGE LN 40513	YES	NO
7 Andrea Brown, UFCCG →		YES	NO
8 Tracy Clarke		YES	NO
9 Mark Frost	PSC	YES	NO
10 Linda Bridwell	KAW	YES	NO

PUBLIC MEETING - SIGN-IN SHEET

Case No. 2015-00418- Kentucky-American Water Co. rate adjustment

Lexington, June 7, 2016

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?	
1 Nick Rowe		YES	<input checked="" type="radio"/> NO
2 Bryan Silver		YES	<input checked="" type="radio"/> NO
3 Cole Mitcham		YES	<input checked="" type="radio"/> NO
4 Susan Landro		YES	<input checked="" type="radio"/> NO
5 Ellen Williams		YES	<input checked="" type="radio"/> NO
+6 Warren Rogers	2417 Williamsburg Estates Lane	<input checked="" type="radio"/> YES	NO
7 Jacob Dick		YES	NO
8 Marilyn Dishman	1976 Sandersville Rd Lex-11	<input checked="" type="radio"/> YES	NO
9 Jim W. W.		YES	NO
10 Paul Wilson	1506 Russell Cave Rd Lex, KY 40505	YES	NO <input checked="" type="radio"/>

PUBLIC MEETING - SIGN-IN SHEET

Case No. 2015-00418- Kentucky-American Water Co. rate adjustment

Lexington, June 7, 2016

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?	
		YES	NO
1 <i>Sachlynn Williams</i>	<i>1506 Russell Cave Rd Lex KY 40505</i>	YES	NO <input checked="" type="checkbox"/>
2 <i>Tom Lusk</i>	<i>8645 AAMS Lane Lex, Ky. 40515</i>	<input checked="" type="checkbox"/> YES	NO
3 <i>Charle Boland</i>	<i>3425 Clays Mill Rd. Lex., KY 40503</i>	YES	<input checked="" type="checkbox"/> NO
4		YES	NO
5		YES	NO
6		YES	NO
7		YES	NO
8		YES	NO
9		YES	NO
10		YES	NO

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