

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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OCT 17 2007

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

PETITION OF KENTUCKY-AMERICAN
WATER COMPANY FOR PERMISSION AND
AUTHORIZATION TO DISCONNECT
CUSTOMERS FOR NON-PAYMENT OF
FIRE SERVICE CHARGES

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) CASE NO. 2007-00450
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PETITION OF KENTUCKY-AMERICAN WATER COMPANY

Now comes Kentucky-American Water Company (“Kentucky American Water” or “the Company”), pursuant to KRS 278.280, and for its Petition seeking permission and authorization to disconnect customers for non-payment of services, states:

1. Kentucky American Water is a corporation organized and existing under the laws of the Commonwealth of Kentucky with its principal office and place of business located at 2300 Richmond Road, Lexington, Kentucky 40502.

2. Kentucky American Water is a wholly-owned subsidiary of American Water Works Company, Inc. (“American Water”) and is engaged in the distribution and sale of water in its Central Division, consisting of Bourbon, Clark, Fayette, Harrison, Jessamine, Scott and Woodford Counties and its Northern Division consisting of Gallatin, Owen and Grant Counties. The Company currently owns, operates and maintains potable water production, treatment, storage, transmission and distribution systems for the purpose of furnishing potable water for residential, commercial, industrial and governmental users in its service territory.

3. Kentucky American Water also owns, operates and maintains collection, pumping and treatment systems for the purpose of furnishing wastewater service for residential, commercial, industrial and governmental users in its service territory.

4. A certified copy of the Articles of Incorporation of Kentucky American Water, together with all amendments, are incorporated by reference as authorized by 807 KAR 5:001, Section 8 (3), and were filed as Exhibit No. 4 in Case No. 95-554, *Notice of the Adjustment of the Rates of Kentucky-American Water Company effective on and after February 29, 1996.*

5. Pursuant to 807 KAR 5:006, Section 14(f), Kentucky American Water may terminate service for nonpayment of utility charges upon appropriate notice. The customers listed in the attached Exhibit "A" have failed to pay their authorized fire service charges and have all been appropriately noticed in accordance with: 807 KAR 5:006, Sections 4(1), 13(5), and 14(f). In addition, Kentucky American Water has (a) given notice to the appropriate Fire Chief that the service will be disconnected, (b) given notice to the Insurance Service Office, a national organization that looks out for the interest of all member insurance companies and determines each community's Fire Insurance Rating, and (c) personally contacted and informed each listed fire service customer, either in person or by telephone, that disconnection, with the consequent deprivation of fire protection, is imminent.

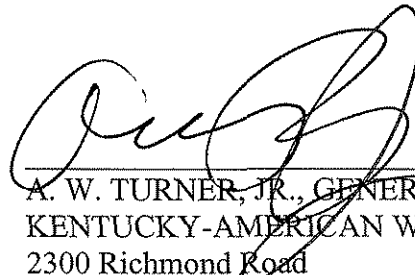
6. The Commission's regulations authorize termination of utility service for non-payment, in part, because of the impact on other customers. To the extent customers do not pay, all other customers must cover the unpaid balance through an increased

uncollectible charge. It is fundamentally unfair to those customers who faithfully pay their bills to have to also indirectly pay the bills of those who do not pay.

7. Kentucky American Water understands the significance of disconnecting fire service for customers. Absence of fire protection implicates insurance coverage, with its consequent effect on mortgages and other loan documents, and indeed the health and safety of the customers. Nevertheless, the delinquency period in all of these cases has run well beyond the minimum period for termination of service. To ensure that no one is surprised by ultimate disconnection, this Petition is being served on the Attorney General, as guardian of all retail customers, as well as each of the listed customers. Kentucky American Water requests that the Commission consider the lengths to which the Company gone to avoid this step but understand that a long and continuous period of non-payment is unfair to both the Company and its other customers.

WHEREFORE, Kentucky American Water requests that the Commission approve its petition for an Order authorizing disconnection of the fire service for those customers detailed in the attached Exhibit "A" for non-payment of services.

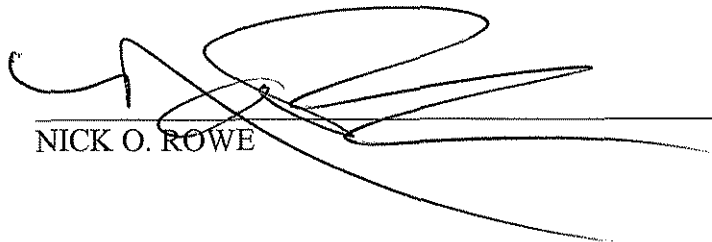
Respectfully submitted this the 16 day of October, 2007.



A. W. TURNER, JR., GENERAL COUNSEL
KENTUCKY-AMERICAN WATER COMPANY
2300 Richmond Road
Lexington, Kentucky 40502

VERIFICATION

Nick O. Rowe, after having been duly sworn, states that he is President of Kentucky-American Water Company, is authorized to make this verification on behalf of the company, that he has read the contents of the foregoing Petition and hereby verifies that the statements contained therein are true and accurate to the best of his knowledge and belief.


NICK O. ROWE

Subscribed and sworn to before me this the 15th day of October,
2007.

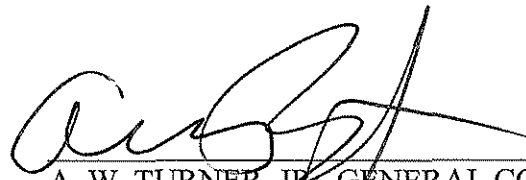

NOTARY PUBLIC, Kentucky State at Large

My Commission expires: August 16, 2008

CERTIFICATE OF SERVICE:

I certify that a true and correct copy of the foregoing Petition was served by first class mail, postage prepaid, upon the following:

- 1.) Waller Properties
1168 Tabor Lake Drive
Lexington, Kentucky 40502-6593
- 2.) Jane Snyder
8385 Old Richmond Road
Lexington, Kentucky 40515-9324
- 3.) Todds Landing Homeowners, Inc.
1621 Ashwood Drive
Lexington, Kentucky 40502-1907
- 4.) Fortune Landing Homeowners Association
P.O. Box 22285
Lexington, Kentucky 40522
- 5.) Schneider Designs, Inc.
3151 Beaumont Center Circle
Lexington, Kentucky 40513
- 6.) H H of Lexington
c/o M. D. Enterprise, Inc.
56 Jackson Street
Holyoke, Massachusetts 01040
- 7.) David Edward Spenard
Assistant Attorney General
Office of the Attorney General Utility & Rate
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601-8204



A. W. TURNER, JR., GENERAL COUNSEL
KENTUCKY-AMERICAN WATER COMPANY
2300 Richmond Road
Lexington, Kentucky 40502

Lexington Delinquent Fire Hydrant/Service Accounts

Account #	Name	Address	Balance Due	Type
100562	Waller Properties 859.269.1107	Lindhurst Dr, Lexington, Ky 40509	\$2,621.27	1 Private Hydrant
100605	Snyder Jane 859.263.4237	8260 Elk Lick Falls Lexington, KY 40515	\$1,817.87	1 Private Hydrant
100616	Todds Landing HMW INC. 859.269.9251	Todds Landing Lexington, KY 40509	\$3,300.93	2 Private Hydrants
100622	Fortune Landing Own Assoc.859.621.6762	Mackenzie-Danie Ln. Lexington, KY 40504	\$7,384.16	3 Private Hydrants
100643	Schneider Designs Inc. 859.224.9700	Derby Landing Cir. Lexington, KY 40514	\$2,174.24	2 Private Hydrants
434891	HH of Lexington 859.231.6969	2280 Eikhorn Rd. Lexington, KY	\$1,816.53	6" Fire Service
			\$19,115.00	

EXHIBIT "A"