

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2004-00103
FORECASTED TEST PERIOD FILING REQUIREMENTS
EXHIBIT NO. 7**

Description of Filing Requirement:

Public Notices

Response:

Please see attached.

For electronic version, see [KAW_APP_EX7_043004.pdf](#)

NOTICE

Notice is hereby given that Kentucky-American Water Company, a Kentucky corporation, seeks approval by the Public Service Commission, Frankfort, Kentucky, for an adjustment of rates to become effective May 30, 2004, for service rendered on and after May 30, 2004, in the total amount of \$6,919,440 on an annual basis. The percentage of increase will approximate 16.29% to Kentucky-American Water Company. The estimated amount of increase per customer class in the Central Division (Bourbon, Clark, Fayette, Harrison, Jessamine, Scott and Woodford Counties) is: residential, \$3,403,382, 15.30%; commercial, \$1,609,152, 15.30%; industrial, \$241,813, 15.30%; municipal or private fire connections, \$85,995, 15.30%; public fire hydrants, \$275,781, 15.30%; private fire hydrants, \$42,394, 15.30%; municipal and other public authority, \$477,612, 15.30%; sales for resale, \$118,031, 15.30%; activation fee customers, \$665,280, 100%. The effect upon the average bill for each customer class on which the proposed rate change will apply is an increase; residential, \$2.85, 15.30%; commercial, \$15.95, 15.30%; industrial, \$9,864.93, 15.30%; public fire hydrants, \$44.00, 15.30%; private fire hydrants, \$66.03, 15.30%; municipal and other public authority, \$60.13, 15.30% and sales for resale, \$1,805.96, 15.30%; and activation fee customers, \$24.00, 100%.

The present rates charged in the Central Division (Bourbon, Clark, Fayette, Harrison, Jessamine, Scott and Woodford Counties) by Kentucky-American Water Company are as follows:

SERVICE CLASSIFICATION NO. 1

Applicable

Applicable to all customers in the Central Division (Bourbon, Clark, Fayette, Harrison, Jessamine, Scott and Woodford Counties).

Availability of Service

Available for Residential, Commercial, Industrial, Other Public Authority and Sales for Resale Metered Service.

Meter Rates

The following shall be the rates for consumption, in addition to the service charges provided for herein:

<u>Customer Category</u>	<u>Rate Per 1,000 Gallons All Consumption</u>	<u>Rate Per 100 Cubic Feet All Consumption</u>
Residential	\$2.23441	\$ 1.67581
Commercial	2.06898	1.55174
Industrial	1.68828	1.26621
Municipal & Other		
Public Authority	1.98196	1.48647
Sales for Resale	1.98196	1.48647

Service Charges

All metered general water service customers shall pay a service charge based on the size of meter installed. The service charge will not entitle the customer to any water.

<u>Size of Meter</u>	<u>Service Charge Per Month</u>
5/8"	\$ 7.31
3/4"	10.97
1"	18.28
1-1/2"	36.55
2"	58.48
3"	109.65
4"	182.75
6"	365.50
8"	584.80

SERVICE CLASSIFICATION NO. 3

Applicable

Applicable to all customers in the Central Division (Bourbon, Clark, Fayette, Harrison, Jessamine, Scott and Woodford Counties).

Availability of Service

Available for Municipal or Private Fire Connections used exclusively for fire protection purposes.

Fire Service Rates

<u>Size of Service</u>	<u>Rate Per Month</u>	<u>Rate Per Annum</u>
2 Inch Diameter	\$ 4.00	\$ 48.00
4 Inch Diameter	16.00	192.00
6 Inch Diameter	35.96	431.52
8 Inch Diameter	63.92	767.04
10 Inch Diameter	99.88	1,198.56
12 Inch Diameter	143.85	1,726.20
14 Inch Diameter	195.82	2,349.84
16 Inch Diameter	255.70	3,068.40

SERVICE CLASSIFICATION NO. 4

Applicable

Applicable to all customers in the Central Division (Bourbon, Clark, Fayette, Harrison, Jessamine, Scott and Woodford Counties).

Availability of Service

Available for Municipal or Private Fire Connections used exclusively in fire protection charges.

Rates for Public Fire Service

	<u>Rate Per Month</u>	<u>Rate Per Annum</u>
For each public fire hydrant contracted for or ordered by Urban County, County, State or Federal Government Agencies or Institutions	\$23.96	\$287.52

Rates for Private Fire Service

For each private fire hydrant contracted for by industries or private institutions	\$35.96	\$431.52
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TAPPING FEES

Applicable

Applicable to all customers in the Central Division (Bourbon, Clark, Fayette, Harrison, Jessamine, Scott and Woodford Counties).

Availability of Service

Available for Residential, Commercial, Industrial, Other Public Authority and Sales for Resale customers.

<u>Size of Meter Connected</u>	<u>Tapping Fee</u>
518-Inch	\$ 440.00
1-Inch	765.00
2-Inch	3,175.00
Service larger than 2"	Actual Cost

The proposed rates to be charged in the Central Division (Bourbon, Clark, Fayette, Harrison, Jessamine, Scott and Woodford Counties) by Kentucky-American Water Company are as follows:

SERVICE CLASSIFICATION NO. 1

Applicable

Applicable to all customers in the Central Division (Bourbon, Clark, Fayette, Harrison, Jessamine, Scott and Woodford Counties).

Availability of Service

Available for Residential, Commercial, Industrial, Other Public Authority and Sales for Resale Metered Service.

Meter Rates

The following shall be the rates for consumption, in addition to the service charges provided for herein:

<u>Customer Category</u>	<u>Rate Per 1,000 Gallons All Consumption</u>	<u>Rate Per 100 Cubic Feet All Consumption</u>
Residential	\$2.57634	\$ 1.93225
Commercial	2.38560	1.78920
Industrial	1.94663	1.45997
Municipal & Other		
Public Authority	2.28525	1.71394
Sales for Resale	2.28525	1.71394

Service Charges

All metered general water service customers shall pay a service charge based on the size of meter installed. The service charge will not entitle the customer to any water.

<u>Size of Meter</u>	<u>Service Charge Per Month</u>
5/8"	\$ 8.43
3/4"	12.65
1"	21.08
1-1/2"	42.14
2"	67.43
3"	126.43
4"	210.72
6"	421.43
8"	674.29

SERVICE CLASSIFICATION NO. 3

Applicable

Applicable to all customers in the Central Division (Bourbon, Clark, Fayette, Harrison Jessamine, Scott and Woodford Counties).

Availability of Service

Available for Municipal or Private Fire Connections used exclusively for fire protection purposes.

Fire Service Rates

<u>Size of Service</u>	<u>Rate Per Month</u>	<u>Rate Per Annum</u>
2 Inch Diameter	\$ 4.61	\$ 55.32
4 Inch Diameter	18.45	221.40
6 Inch Diameter	41.46	497.52
8 Inch Diameter	73.70	884.40
10 Inch Diameter	115.16	1,381.92
12 Inch Diameter	165.86	1,990.32
14 Inch Diameter	225.79	2,709.48
16 Inch Diameter	294.83	3,537.96

SERVICE CLASSIFICATION NO. 4

Applicable

Applicable to all customers in the Central Division (Bourbon, Clark, Fayette, Harrison, Jessamine, Scott and Woodford Counties).

Availability of Service

Available for Municipal or Private Fire Connections used exclusively in fire protection charges.

Rates for Public Fire Service

	<u>Rate Per Month</u>	<u>Rate Per Annum</u>
For each public fire hydrant contracted for or ordered by Urban County, County, State or Federal Government Agencies or Institutions	\$27.63	\$331.56

Rates for Private Fire Service

For each private fire hydrant contracted for by industries or private institutions	\$41.46	\$497.52
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TAPPING FEES

Applicable

Applicable to all customers in the Central Division (Bourbon, Clark, Fayette, Harrison, Jessamine, Scott and Woodford Counties).

Availability of Service

Available for Residential, Commercial, Industrial, Other Public Authority and Sales for Resale customers.

<u>Size of Meter Connected</u>	<u>Tapping Fee</u>
518-Inch	\$ 510.00
1-Inch	945.00
2-Inch	4,250.00
Service larger than 2"	Actual Cost

NEW ACCOUNT SET UP

An activation fee of \$24.00 shall be charged to set up a new account when there is a change in ownership or tenancy. This will cover the cost of meter reading and record setup.

EMERGENCY PRICING TARIFF

The Emergency Pricing Tariff shall be in effect during the time when the Company is in the Water Shortage Rationing Phase of its Demand Management Plan as on file with the Commission.

Applicable

Applicable to Residential, Commercial, Industrial, Other Public Authority, and Sales for Resale customers in the Central Division (Bourbon, Clark, Harrison, Fayette, Jessamine, Scott and Woodford Counties) of Kentucky-American Water Company. On an individual customer basis, base usage for hospitals and other health care facilities will be established that will not endanger the health of patients or residents and may differ from base usage calculated using methodologies set forth below.

Availability of Service

Available for Residential, Commercial, Industrial, Municipal and Other Public Authority, and Sales for Resale customers.

Rates

Residential

1. On an individual customer basis, base usage will be calculated as the average of monthly base period usage.
2. Base period shall be the immediately preceding non-drought Fall/Winter (November-April) period. For customers not billed for a full base period, the base usage will be the same as that used by the Company to calculate sewer bills for the Lexington-Fayette Urban County Government in similar cases.
3. On an individual customer basis, usage less than or equal to base usage will be billed at the regular tariff rate.
4. On an individual customer basis, usage exceeding base usage by up to twenty-five percent (25%) will be billed at five (5) times the regular tariff rate.
5. On an individual customer basis, usage exceeding twenty-five percent (25%) above base usage will be billed at ten (10) times the regular tariff rate.
6. On an individual customer basis, usage exceeding base usage by fifty percent (50%) or more for two (2) consecutive meter readings shall receive personal communication regarding usage.
7. On an individual customer basis, usage exceeding base usage by **fifty** percent (50%) or more for three (3) consecutive meter readings may be subject to

- disconnection of service with a forty-eight hour (48-hour) notice for which regular reconnection fees will apply.
8. Base usage may be reduced periodically by an amount equal to the then current projected shortage percentage if emergency or drought conditions persist or if the necessary level of demand reduction is not achieved.

Commercial

1. On an individual customer basis, base usage will be calculated as the average of monthly base period usage.
2. Base period shall be the immediately preceding non-drought twelve-month (12-Month) period. For customers not billed for a full base period, the base usage will be the same as that used by the Company to calculate sewer bills for the Lexington-Fayette Urban County Government in similar cases.
3. On an individual customer basis, usage less than or equal to base usage will be billed at the regular tariff rate.
4. On an individual customer basis, usage exceeding base usage by up to fifteen percent (15%) will be billed at five (5) times the regular tariff rate.
5. On an individual customer basis, usage exceeding fifteen percent (15%) above base usage will be billed at ten (10) times the regular tariff rate.
6. On an individual customer basis, usage exceeding base usage by fifty percent (50%) or more for two (2) consecutive meter readings shall receive personal communication regarding usage.
7. On an individual customer basis, usage exceeding base usage by fifty percent (50%) or more for three (3) consecutive meter readings may be subject to disconnection of service with a forty-eight hour (48-hour) notice for which regular reconnection fees will apply.
8. Base usage may be reduced periodically by an amount equal to the then current projected shortage percentage if emergency or drought conditions persist or if the necessary level of demand reduction is not achieved.

Industrial

1. On an individual customer basis, base usage will be calculated as the average of monthly base period usage.
2. Base period shall be the immediately preceding non-drought Spring/Summer (May-October) period. Consideration will be given, when appropriate, to significant increases in industrial output or other design changes. For customers not billed for a full base period, the base usage will be the same as that used by the Company to calculate sewer bills for the Lexington-Fayette Urban County Government in similar cases.
3. On an individual customer basis, usage less than or equal to base usage will be billed at the regular tariff rate.

4. On an individual customer basis, usage exceeding base usage by up to fifteen percent (15%) above base usage will be billed at five (5) times the regular tariff rate.
5. On an individual customer basis, usage exceeding fifteen percent (15%) above base usage will be billed at ten (10) times the regular tariff rate.
6. On an individual customer basis, usage exceeding base usage by fifty percent (50%) or more for two (2) consecutive meter readings shall receive personal communication regarding usage.
7. Base usage may be reduced periodically by an amount equal to the then current projected shortage percentage if emergency or drought conditions persist or if the necessary level of demand reduction is not achieved.

Municipal and Other Public Authority

1. On an individual customer basis, base usage will be calculated as the average of monthly base period usage.
2. Base period shall be the immediately preceding non-drought twelve-month (12-Month) period. For customers not billed for a full base period, the base usage will be the same as that used by the Company to calculate sewer bills for the Lexington-Fayette Urban County Government in similar cases.
3. On an individual customer basis, usage less than or equal to base usage will be billed at the regular tariff rate.
4. On an individual customer basis, usage exceeding base usage by up to fifteen percent (15%) above base usage will be billed at five (5) times the regular tariff rate.
5. On an individual customer basis, usage exceeding fifteen percent (15%) above the base usage will be billed at ten (10) times the regular tariff rate.
6. On an individual customer basis, usage exceeding base usage by ~~fifty~~ percent (50%) or more for two (2) consecutive meter readings shall receive personal communication regarding usage.
7. On an individual customer basis, usage exceeding base usage by fifty percent (50%) or more for three (3) consecutive meter readings may be subject to disconnection of service with a forty-eight hour (48-hour) notice for which regular reconnection fees will apply.
8. Base usage may be reduced periodically by an amount equal to the then current projected shortage percentage if emergency or drought conditions persist or if the necessary level of demand reduction is not achieved.

Sales for Resale

1. On an individual customer basis, base usage will be calculated as the average of monthly base period usage.
2. Base period shall be the immediately preceding non-drought twelve-month (12-Month) period. For customers not billed for a full base period, the base usage will

- be the same as that used by the Company to calculate sewer bills for the Lexington-Fayette Urban County Government in similar cases.
3. On an individual customer basis, usage less than or equal to base usage will be billed at the regular tariff rate.
 4. On an individual customer basis, usage exceeding base usage by up to fifteen percent (15%) above base usage will be billed at five (5) times the regular tariff rate.
 5. On an individual customer basis, usage exceeding fifteen percent (15%) above base usage will be billed at ten (10) times the regular tariff rate.
 6. On an individual customer basis, usage exceeding base usage by fifty percent (50%) or more for two (2) consecutive meter readings shall receive personal communication regarding usage.
 7. Base usage may be reduced periodically by an amount equal to the then current projected shortage percentage if emergency or drought conditions persist or if the necessary level of demand reduction is not achieved.

LOW INCOME WATER DISCOUNT

Applicable

Applicable to all residential customers whose household annual income is annually certified by the state or federal government or an independent organization acceptable to Kentucky-American Water Company as being equal to or below the federal poverty level.

Availability of Service

Available for Residential customers.

Rate

The service charge for the low income residential customer shall be discounted twenty-five percent (25%).

The rates contained in this notice are the rates proposed by Kentucky-American Water Company; however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Notice is further given that any corporation, association, or person with a substantial interest in the matter may, by written request within thirty (30) days after the publication of this notice, request to intervene in the matter before the Public Service Commission. Intervention may be granted beyond the thirty (30) day period for good cause shown. The request should be submitted to the Public Service Commission at its address shown below. Any person who has been granted

intervention by the Commission may obtain copies of the application and testimony by contacting Kentucky-American Water Company at the address below.

Any person may examine the rate application and any other filings made by Kentucky-American Water Company at its offices or at the Public Service Commission at the addresses below.

Kentucky-American Water Company
2300 Richmond Road
Lexington, Kentucky 40502
Telephone: 859-269-2386

Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601
Telephone: 502-564-3940

NOTICE

Notice is hereby given that Kentucky-American Water Company, a Kentucky corporation, seeks approval by the Public Service Commission, Frankfort, Kentucky, for an adjustment of rates to become effective May 30, 2004, for service rendered on and after May 30, 2004, in the total amount of \$338,638 on an annual basis. The percentage of increase will approximate 41.04% to Kentucky-American. The estimated amount of increase for the residential class in the Northern Division of the former customers of Tri-Village Water District is: residential, \$314,969, 40.26%; commercial, \$12,082, 40.26%; municipal and other public authority, \$3,234, 40.26%; sales for resale \$1,874, 40.26%; and the estimated amount of increase for the new activation fee class is \$6,480.00, 100%. The effect upon the average bill for each customer class that the proposed rate change will apply is an increase in the residential class of \$15.51, 40.26%, commercial, \$101.52, 40.26%; municipal and other public authority, \$352.13, 40.26%; sales for resale \$872.07, 40.26% and an increase for the new account set up class (activation fee) of \$24.00, 100%.

The present rates charged by Kentucky-American Water Company in the Northern Division to the former customers of Tri-Village Water District and customers added to that distribution system are as follows:

SERVICE CLASSIFICATION NO. 1

Applicable

Applicable to all customers in the Northern Division formerly served by Tri-Village Water District.

Monthly Water Rates

First 2,000 gallons	\$19.40 minimum bill
Next 4,000 gallons	\$6.22 per 1,000 gallons
Next 4,000 gallons	\$6.10 per 1,000 gallons
Next 10,000 gallons	\$5.98 per 1,000 gallons
Over 20,000 gallons	\$5.74 per 1,000 gallons

Tap-On Fees

5/8 x 3/4 - Inch meters	\$530
Larger Meters	Actual Cost of Installation

The proposed rates to be charged by Kentucky-American Water Company in the Northern Division to customers formerly served by Tri-Village Water District and customers added to that distribution system are as follows:

SERVICE CLASSIFICATION NO. 1

Applicable

Applicable to all customers in the Northern Division formerly served by Tri-Village Water District.

Monthly Water Rates

First 2,000 gallons	\$27.21 minimum bill
Next 4,000 gallons	\$8.72 per 1,000 gallons
Next 4,000 gallons	\$8.56 per 1,000 gallons
Next 10,000 gallons	\$8.39 per 1,000 gallons
Over 20,000 gallons	\$8.05 per 1,000 gallons

Tap-On Fees

5/8 x 3/4 - Inch meters	\$530.00
1" Meters	\$945.00
2" Meters	\$4,250.00
Larger Meters	Actual cost of installation

NEW ACCOUNT SET UP

An activation fee of \$24.00 shall be charged to setup a new account when there is a change in ownership or tenancy. This will cover the cost of meter reading and record setup.

LOW INCOME WATER DISCOUNT

Applicable

Applicable to all residential customers whose household annual income is annually certified by the state or federal government or an independent organization acceptable to Kentucky-American Water Company as being equal to or below the federal poverty level.

Availability of Service

Available for Residential customers.

Rate

The service charge for the low income residential customer shall be discounted twenty-five percent (25%).

The rates contained in this notice are the rates proposed by Kentucky-American Water Company; however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Notice is further given that any corporation, association, or person with a substantial interest in the matter may, by written request within thirty (30) days after the publication of this notice, request to intervene in the matter before the Public Service Commission. Intervention may be granted beyond the thirty (30) day period for good cause shown. The request should be submitted to the Public Service Commission at its address shown below. Any person who has been granted intervention by the Commission may obtain copies of the application and testimony by contacting Kentucky-American Water Company at the address below.

Any person may examine the rate application and any other filings made by Kentucky-American Water Company at its offices or at the Public Service Commission at the addresses below.

Kentucky-American Water Company
2300 Richmond Road
Lexington, Kentucky 40502
Telephone: 859-269-2386

Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601
Telephone: 502-564-3940

NOTICE

Notice is hereby given that Kentucky-American Water Company, a Kentucky corporation, seeks approval by the Public Service Commission, Frankfort, Kentucky, for an adjustment of rates to become effective May 30,2004, for service rendered on and after May 30,2004, in the total amount of \$39,365 on an annual basis. The percentage of increase will approximate 42.22% to Kentucky-American. The estimated amount of increase for the residential class in the Northern Division to the customers formerly served by Elk Lake Property Owners Association, Inc. is: residential, \$39,126, 41.96% and the estimated amount of increase for the new account set up class (activation fee) is \$240.00, 100%. The effect upon the average bill for each customer class that the proposed rate change will apply is an increase in the residential class of \$11.53, 41.96%, and an increase for the new account set up class (activation fee) of \$24.00, 100%.

The present rates charged by Kentucky-American Water Company in the Northern Division to customers formerly served by Elk Lake Property Owners Association, Inc. and customers added to that distribution system are as follows:

SERVICE CLASSIFICATION NO. 1

Applicable

Applicable to all customers formerly served by Elk Lake Property Owners Association, Inc. in the Northern Division.

Metered Monthly Rates

<u>Gallage Blocks</u>	<u>Monthly Rates</u>
5/8" x 3/4" metered	
First 2,000 gallons	\$20.95 minimum bill
Next 2,000 gallons	\$2.35 per 1,000 gallons
Over 4,000 gallons	\$1.70 per 1,000 gallons

All meters shall be read to the nearest one hundred (100) gallons each month.

The monthly bill 5/8" x 3/4" meter shall be \$20.95 for metered usages of zero (0) to two thousand (2,000) gallons. The additional charge for usage in excess of two thousand gallons shall be computed to the nearest one hundred (100) gallons of usage on the basis of the above unit costs per one thousand (1,000) gallons.

CHARGES FOR METER INSTALLATIONS

The following prices as listed include the meter, meter vault, meter yoke where required, any necessary valve required, and the service line of the required size running to the customer's property line.

5/8" x 3/4" Meter Installation	\$360
Larger Meters	Actual Cost of Installation

RECONNECTION CHARGE

A Reconnection Charge of \$40.00 shall be made by the Company to cover the cost incurred for reconnecting the meter or service when the customer's service has been disconnected at his request, or for any other reason, as set forth in these Regulations.

The proposed rates to be charged by Kentucky-American Water Company in the Northern Division to customers formerly served by Elk Lake Property Owners Association, Inc. and customers added to that distribution system are as follows:

Metered Monthly Rates

<u>Gallage Blocks</u>	<u>Monthly Rates</u>
5/8" x 3/4" metered	
First 2,000 gallons	\$29.74 minimum bill
Next 2,000 gallons	\$3.34 per 1,000 gallons
Over 4,000 gallons	\$2.41 per 1,000 gallons

All meters shall be read to the nearest one hundred (100) gallons each month.

The monthly bill for a customer served by a 5/8" x 3/4" meter shall be \$29.74 for metered usages of zero (0) to two thousand (2,000) gallons. The additional charge for usage in excess of two thousand gallons shall be computed to the nearest one hundred (100) gallons of usage on the basis of the above unit costs per one thousand (1,000) gallons.

NEW ACCOUNT SET UP

An activation fee of \$24.00 shall be charged to setup a new account when there is a change in ownership or tenancy. This will cover the cost of meter reading and record setup.

LOW INCOME WATER DISCOUNT

Applicable

Applicable to all residential customers whose household annual income is annually certified by the state or federal government or an independent organization acceptable to Kentucky-American Water Company as being equal to or below the federal poverty level.

Availability of Service

Available for Residential customers.

Rate

The service charge for the low income residential customer shall be discounted twenty-five percent (25%).

The rates contained in this notice are the rates proposed by Kentucky-American Water Company; however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Notice is further given that any corporation, association, or person with a substantial interest in the matter may, by written request within thirty (30) days after the publication of this notice, request to intervene in the matter before the Public Service Commission. Intervention may be granted beyond the thirty (30) day period for good cause shown. The request should be submitted to the Public Service Commission at its address shown below. Any person who has been granted intervention by the Commission may obtain copies of the application and testimony by contacting Kentucky-American Water Company at the address below.

Any person may examine the rate application and any other filings made by Kentucky-American Water Company at its offices or at the Public Service Commission at the addresses below.

Kentucky-American Water Company
2300 Richmond Road
Lexington, Kentucky 40502
Telephone: 859-269-2386

Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601
Telephone: 502-564-3940