

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2004-00103
COMMUNITY ACTION COUNCIL DATA REQUEST NO. 1
ITEMS 1-7

Witness Responsible:

Coleman D. Bush

1. Will a customer in good standing have to pay the activation fee at a new place of residence if they move?

Response:

Yes.

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2. Please indicate the number of residential meters in each of the following counties:
Bourbon, Clark, Harrison, Fayette, Jessamine, Scott and Woodford counties.

Response:

Number of residential accounts as of June 21, 2004:

Bourbon – 717

Clark – 1,349

Harrison - 92

Fayette – 90,689

Jessamine – 0

Scott – 3,379

Woodford - 193

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3. Please describe the geographic location of Tri Village and Elk Lake districts and the number of residential meters in each district.

Response:

Owen, Grant and Gallatin counties. At June 21,2004 Tri-Village contained 1,842 residential accounts and Elk Lake contained 313 residential accounts.

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4. Please describe the method used and provide all working papers, calculations, notes, spreadsheets, etc that were used in estimating the number of estimated service orders worked @ (77,409) during the test year found in KAW_DT_CDB_EX2_043004.xls. For the estimate service orders worked of 77,409, what is the extent of duplication (e.g., same customer more than one service activation, and same meter more than one service activation) within this estimate?

Response:

Please refer to the Excel spreadsheet filed in response to AGKYDR1#20 – KAW_R_AGKYDR1#20_062504.xls. The Company does not track the information requested in the second part of the question.

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Witness Responsible:

Michael A. Miller

5. Please describe the method used and provide working papers, calculations, notes, spreadsheets, etc. that were used in determining a estimated cost of \$30,000 per year for the low-income discount.

Response:

The Company used the historical cost of its other sister companies to arrive at its estimate of the estimated cost of this program. The Company applied that cost of 2.5 cents per customer per month times the number of customers to arrive at its estimate of \$30,000.

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Witness Responsible:

Michael A. Miller

6. Please describe the method used and provide working papers, calculations, notes, spreadsheets, etc. that were used in determining that the low-income discount should be set at 25%.

Response:

The Company does not have working papers, calculations, or other data in this regard. The Company made the decision to propose a 25% discount on the service charge based on review of programs in other states as well as tariffs in place or being proposed in other jurisdictions for its sister companies.

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Witness Responsible:

Michael A. Miller

7. Does KAWC plan to assist the low-income customer who cannot afford the \$24 activation fee? If your answer is yes, please describe in narrative form what assistance will be available.

Response:

The Company did not contemplate a discount or waiver of the \$24 proposed activation fee for low income users. The Company has no problem if the administrator of the Water for Life program utilizes those funds for this purpose if they determine a customer needs that assistance. If the Commission should decide to approve this tariff but exclude it from those customers who apply for the Low Income Tariff the Company would ask that its estimate of revenue from the activation fee be lowered to reflect that change.