

**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2007-00143**  
**COMMISSION STAFF'S FOURTH**  
**SET OF INFORMATION REQUESTS**  
**Item 2 of 5**

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**Witness: Paul Herbert/Mike Miller**

2. In its Response to Commission Staff's Third Set of Information Requests, Item 46,

KAWC states:

Revenue targets were established for each classification based on moving existing revenue toward the indicated cost of service while avoiding any large increase to any one particular class. Revenues from proposed customer charges were subtracted from the revenue targets. The remaining revenue was divided by the pro forma consumption units for each class to determine the consumption charge by class. See attached calculation of consumption charges."

Identify the location within KAWC's Cost-of-Service Study where the "attached calculation of consumption charges" is reflected.

**Response:**

The calculation of the consumption charges is not included in the cost of service study.

The calculation included as the attachment to the response to PSC 3 Item 46 is the actual calculation based on the revenue requirement of \$11,005,464 in the revised filing.

For electronic version, refer to KAW\_R\_PSCDR4#2\_091407.pdf