

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2007-00143
COMMISSION STAFF'S FOURTH
SET OF INFORMATION REQUESTS
Item 1 of 5

Witness: Paul Herbert/Michael Miller

5. Refer to KAWC's Application, Exhibit 36, Schedule G. The hidden leak rate found in Schedule G does not appear to equal the rate as calculated using the hidden leak policy in KAWC's current tariff. KAWC's proposed tariffs do not contain any revisions to KAWC's current hidden leak policy.

a. Describe how KAWC established the hidden leak rate in Schedule G. Provide all work papers, state all assumptions, and show all calculations used to derive the listed rate.

b. State KAWC expects its current hidden leak rate to produce sufficient revenues to recover the amount of revenue requirement that KAWC's Cost-of- Service Study allocates to the charge. Explain.

Response:

KAWC did not request an increase in the hidden leak tariff. No additional revenues were allocated to the hidden leak charge in the cost of service study. The proposed hidden leak adjustment shown on Schedule G is incorrect. There should be no change from the current tariff. See revised Schedule G included in the response to PSCDR4 question 3.

For electronic version, refer to KAW_R_PSC4#5_091407.pdf