

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:)
)
APPLICATION OF KENTUCKY-AMERICAN)
WATER COMPANY FOR AN ADJUSTMENT) **CASE NO. 2014-00390**
OF ITS WASTEWATER RATES PURSUANT)
TO 807 KAR 5:076)

KENTUCKY-AMERICAN WATER COMPANY’S COMMENTS TO STAFF REPORT

Kentucky-American Water Company (“KAWC”) hereby submits the following comments in response to the Commission Staff’s March 31, 2015 Report (“Report”) in the above-referenced case:

1. KAWC requests that the Commission approve the \$185,648.00 revenue increase set forth in the Report. Instead of phasing in the increase with two annual rate changes as proposed in the Application and in the Report, KAWC requests approval to implement Staff’s recommended rates with annual rate changes over a four-year period in the interest of gradualism. Attached as Exhibit 1 is KAWC’s calculation of the monthly sewage rates during each of the four proposed phases.
2. KAWC will give notice to customers if the Commission approves rates other than those proposed in its Application.
3. KAWC requests that this matter be submitted for decision on the existing record, and does not request a hearing and/or informal conference.
4. KAWC is currently undertaking a complete revision to its tariff in order to modernize its operating conditions and hopes to present the revisions to the Commission for approval by the end of 2015. With respect to the Report’s recommendation regarding filing a

separate tariff for its sewer operations, KAWC requests, in the interest of efficiency, that it be permitted to file its separate sewer tariff concurrent with the filing of its proposed tariff revisions.

Date: April 14, 2015

Respectfully submitted,

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CERTIFICATE

This is to certify that Kentucky-American Water Company's April 14, 2015 electronic filing is a true and accurate copy of the documents being filed in paper medium; that the electronic filing was transmitted to the Commission on April 14, 2015; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that a paper copy of the filing will be hand-delivered to the Commission no later than two business days after the electronic filing.

Monica H. Braun
Counsel for Kentucky American Water

Exhibit 1
Kentucky-American Water Company's Response to Staff Report
Case No. 2014-00390

Monthly Sewage Rates

PHASE 1

Owenton – Inside City Rates

	<u>Per 1,000 gallons</u>	<u>Per 100 gallons</u>
First 2,000 Gallons	\$19.54 minimum bill	\$19.54 minimum bill
Next 1,000 Gallons	8.87	0.887
Next 2,000 Gallons	6.98	0.698
Next 5,000 Gallons	6.33	0.633
Next 10,000 Gallons	5.66	0.566
Next 20,000 Gallons	4.99	0.499
Over 40,000 Gallons	4.75	0.475

Owenton –Outside City Rates

	<u>Per 1,000 gallons</u>	<u>Per 100 gallons</u>
First 2,000 Gallons	\$24.18 minimum bill	\$24.18 minimum bill
Next 1,000 Gallons	10.98	1.098
Next 2,000 Gallons	8.65	0.865
Next 5,000 Gallons	7.82	0.782
Next 10,000 Gallons	6.99	0.699
Next 20,000 Gallons	6.17	0.617
Over 40,000 Gallons	5.88	0.588

Rockwell Village

First 12,000 gallons \$23.48 minimum bill
Over 12,000 gallons \$0.1956 per 100 gallons

PHASE 2

Owenton – Inside City Rates

	<u>Per 1,000 gallons</u>	<u>Per 100 gallons</u>
First 2,000 Gallons	\$22.11 minimum bill	\$22.11 minimum bill
Next 1,000 Gallons	10.04	1.004
Next 2,000 Gallons	7.90	0.790
Next 5,000 Gallons	7.16	0.716
Next 10,000 Gallons	6.40	0.640
Next 20,000 Gallons	5.65	0.565
Over 40,000 Gallons	5.37	0.537

Owenton –Outside City Rates

	<u>Per 1,000 gallons</u>	<u>Per 100 gallons</u>
First 2,000 Gallons	\$24.18 minimum bill	\$24.18 minimum bill
Next 1,000 Gallons	10.98	1.098
Next 2,000 Gallons	8.65	0.865
Next 5,000 Gallons	7.82	0.782
Next 10,000 Gallons	6.99	0.699
Next 20,000 Gallons	6.17	0.617
Over 40,000 Gallons	5.88	0.588

Rockwell Village

First 12,000 gallons \$26.57 minimum bill
Over 12,000 gallons \$0.2213 per 100 gallons

PHASE 3

Owenton – Inside and Outside City Rates

	<u>Per 1,000 gallons</u>	<u>Per 100 gallons</u>
First 2,000 Gallons	\$25.02 minimum bill	\$25.02 minimum bill
Next 1,000 Gallons	11.36	1.136
Next 2,000 Gallons	8.94	0.894
Next 5,000 Gallons	8.10	0.810
Next 10,000 Gallons	7.24	0.724
Next 20,000 Gallons	6.39	0.639
Over 40,000 Gallons	6.08	0.608

Rockwell Village

First 12,000 gallons \$30.06 minimum bill
Over 12,000 gallons \$0.2504 per 100 gallons

PHASE 4

Owenton – Inside and Outside City Rates

	<u>Per 1,000 gallons</u>	<u>Per 100 gallons</u>
First 2,000 Gallons	\$28.29 minimum bill	\$28.29 minimum bill
Next 1,000 Gallons	12.85	1.285
Next 2,000 Gallons	10.11	1.011
Next 5,000 Gallons	9.16	0.916
Next 10,000 Gallons	8.19	0.819
Next 20,000 Gallons	7.22	0.722
Over 40,000 Gallons	6.89	0.689

Rockwell Village

First 12,000 gallons \$34.00 minimum bill

Over 12,000 gallons \$0.283 per 100 gallons