

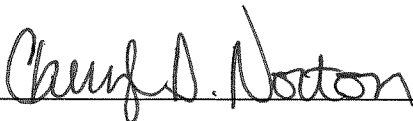
COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:)
)
APPLICATION OF KENTUCKY-AMERICAN)
WATER COMPANY FOR AN ADJUSTMENT)
OF ITS WASTEWATER RATES PURSUANT)
TO 807 KAR 5:076)

CASE NO. 2014-00390

AFFIDAVIT OF CHERYL D. NORTON REGARDING CUSTOMER NOTICE

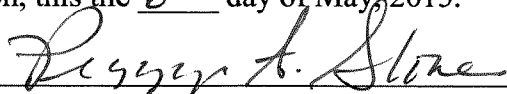
Comes Cheryl D. Norton, President, Kentucky-American Water Company, and states that on May 5, 2015, the notice attached hereto as Exhibit 1 was mailed to all wastewater customers.



CHERYL D. NORTON

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF FAYETTE)

Subscribed and sworn to before me by Cheryl D. Norton, President, Kentucky-American Water Company, for and on behalf of said corporation, this the 8th day of May, 2015.



NOTARY PUBLIC, State-At-Large
My Commission expires: 10/3/2016

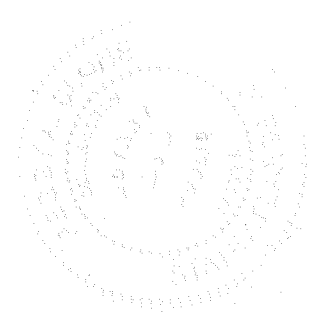


EXHIBIT 1

NOTICE

On December 9, 2014, the Kentucky Public Service Commission ("PSC") accepted for filing Kentucky-American Water Company's ("Kentucky-American") application requesting to increase its sewer service revenues by approximately 21% to be implemented over two phases. After performing a review of Kentucky-American's application and records, the PSC Staff recommended that Kentucky-American be granted an increase in sewer service revenues of approximately 62%. Pursuant to the PSC's Order of March 31, 2015, in Case No. 2014-00390, Kentucky-American requested that the PSC approve the PSC Staff recommended revenue requirement and that Kentucky-American be allowed to implement the revised rates over a four-year period as follows:

Phase 1:

<u>Owenton – Inside City</u>		<u>Current Rate</u>	<u>Phase 1 Rate</u>	<u>\$ Change</u>	<u>% Change</u>
First	2,000 gallons (Minimum Bill)	\$17.27	\$19.54	\$2.27	13% Increase
Next	1,000 gallons (per 1,000 gallons)	7.84	8.87	1.03	13% Increase
Next	2,000 gallons (per 1,000 gallons)	6.17	6.98	0.81	13% Increase
Next	5,000 gallons (per 1,000 gallons)	5.59	6.33	0.74	13% Increase
Next	10,000 gallons (per 1,000 gallons)	5.00	5.66	0.66	13% Increase
Next	20,000 gallons (per 1,000 gallons)	4.41	4.99	0.58	13% Increase
Over	40,000 gallons (per 1,000 gallons)	4.20	4.75	0.55	13% Increase
 <u>Rockwell Village</u>					
First	12,000 gallons (Minimum Bill)	\$20.75	\$23.48	\$2.73	13% Increase
Over	12,000 gallons (per 100 gallons)	0.1729	0.1956	0.0227	13% Increase

Average Monthly Bills

<u>Owenton- Inside City</u>	<u>Average Monthly Usage</u>	<u>Current Average Bill</u>	<u>Phase 1 Average Bill</u>	<u>\$ Change</u>	<u>% Change</u>
Residential	2,866 gallons	\$24.06	\$27.22	\$3.16	13% Increase
Commercial	17,437 gallons	102.59	116.11	13.52	13% Increase
Public Authority	20,595 gallons	118.02	133.59	15.57	13% Increase
 <u>Rockwell Village</u>					
Residential	2,990 gallons	\$20.75	\$23.48	\$2.73	13% Increase
Commercial	56,573 gallons	97.82	110.66	12.84	13% Increase
Industrial	16,532 gallons	28.59	32.34	3.75	13% Increase

Owenton – Outside City rates are not increased during this phase.

Phase 2: To be implemented one year after the effective date of Phase 1.

<u>Owenton – Inside City</u>		<u>Phase 1 Rate</u>	<u>Phase 2 Rate</u>	<u>\$ Change</u>	<u>% Change</u>
First	2,000 gallons (Minimum Bill)	\$19.54	\$22.11	\$2.57	13% Increase
Next	1,000 gallons (per 1,000 gallons)	8.87	10.04	1.17	13% Increase
Next	2,000 gallons (per 1,000 gallons)	6.98	7.90	0.92	13% Increase
Next	5,000 gallons (per 1,000 gallons)	6.33	7.16	0.83	13% Increase
Next	10,000 gallons (per 1,000 gallons)	5.66	6.40	0.74	13% Increase
Next	20,000 gallons (per 1,000 gallons)	4.99	5.65	0.66	13% Increase
Over	40,000 gallons (per 1,000 gallons)	4.75	5.37	0.62	13% Increase
 <u>Rockwell Village</u>					
First	12,000 gallons (Minimum Bill)	\$23.48	\$26.57	\$3.09	13% Increase
Over	12,000 gallons (per 100 gallons)	0.1956	0.2213	0.0257	13% Increase

Average Monthly Bills

<u>Owenton- Inside City</u>	<u>Average Monthly Usage</u>	<u>Phase 1 Average Bill</u>	<u>Phase 2 Average Bill</u>	<u>\$ Change</u>	<u>% Change</u>
Residential	2,866 gallons	\$27.22	\$30.80	\$3.58	13% Increase
Commercial	17,437 gallons	116.11	131.35	15.24	13% Increase
Public Authority	20,595 gallons	133.59	151.11	17.52	13% Increase
 <u>Rockwell Village</u>					
Residential	2,990 gallons	\$23.48	\$26.57	\$3.09	13% Increase
Commercial	56,573 gallons	110.66	125.21	14.55	13% Increase
Industrial	16,532 gallons	32.34	36.60	4.26	13% Increase

Owenton – Outside City rates are not increased during this phase.

Phase 3: To be implemented one year after the effective date of Phase 2.

<u>Owenton – Outside City</u>		<u>Current Rate</u>	<u>Phase 3 Rate</u>	<u>\$ Change</u>	<u>% Change</u>
First	2,000 gallons (Minimum Bill)	\$24.18	\$25.02	\$0.84	4% Increase
Next	1,000 gallons (per 1,000 gallons)	10.98	11.36	0.38	4% Increase
Next	2,000 gallons (per 1,000 gallons)	8.65	8.94	0.29	4% Increase
Next	5,000 gallons (per 1,000 gallons)	7.82	8.10	0.28	4% Increase
Next	10,000 gallons (per 1,000 gallons)	6.99	7.24	0.25	4% Increase
Next	20,000 gallons (per 1,000 gallons)	6.17	6.39	0.22	4% Increase
Over	40,000 gallons (per 1,000 gallons)	5.88	6.08	0.20	4% Increase

<u>Owenton – Inside City</u>		<u>Phase 2 Rate</u>	<u>Phase 3 Rate</u>	<u>\$ Change</u>	<u>% Change</u>
First	2,000 gallons (Minimum Bill)	\$22.11	\$25.02	\$2.91	13% Increase
Next	1,000 gallons (per 1,000 gallons)	10.04	11.36	1.32	13% Increase
Next	2,000 gallons (per 1,000 gallons)	7.90	8.94	1.04	13% Increase
Next	5,000 gallons (per 1,000 gallons)	7.16	8.10	0.94	13% Increase
Next	10,000 gallons (per 1,000 gallons)	6.40	7.24	0.84	13% Increase
Next	20,000 gallons (per 1,000 gallons)	5.65	6.39	0.74	13% Increase
Over	40,000 gallons (per 1,000 gallons)	5.37	6.08	0.71	13% Increase

<u>Rockwell Village</u>					
First	12,000 gallons (Minimum Bill)	\$26.57	\$30.06	\$3.49	13% Increase
Over	12,000 gallons (per 100 gallons)	0.2213	0.2504	0.0291	13% Increase

Average Monthly Bills

<u>Owenton- Outside City</u>	<u>Average Monthly Usage</u>	<u>Current Average Bill</u>	<u>Phase 3 Average Bill</u>	<u>\$ Change</u>	<u>% Change</u>
Residential	2,657 gallons	\$31.39	\$32.48	\$1.09	4% Increase
<u>Owenton- Inside City</u>	<u>Average Monthly Usage</u>	<u>Phase 2 Average Bill</u>	<u>Phase 3 Average Bill</u>	<u>\$ Change</u>	<u>% Change</u>
Residential	2,866 gallons	\$30.80	\$34.86	\$4.06	13% Increase
Commercial	17,437 gallons	131.35	148.60	17.25	13% Increase
Public Authority	20,595 gallons	151.11	170.96	19.85	13% Increase
<u>Rockwell Village</u>					
Residential	2,990 gallons	\$26.57	\$30.06	\$3.49	13% Increase
Commercial	56,573 gallons	125.21	141.67	16.46	13% Increase
Industrial	16,532 gallons	36.60	41.41	4.81	13% Increase

Phase 4: To be implemented one year after the effective date of Phase 3.

<u>Owenton—Outside & Inside City</u>		<u>Phase 3 Rate</u>	<u>Phase 4 Rate</u>	<u>\$ Change</u>	<u>% Change</u>
First	2,000 gallons (Minimum Bill)	\$25.02	\$28.29	\$3.27	13% Increase
Next	1,000 gallons (per 1,000 gallons)	11.36	12.85	1.49	13% Increase
Next	2,000 gallons (per 1,000 gallons)	8.94	10.11	1.17	13% Increase
Next	5,000 gallons (per 1,000 gallons)	8.10	9.16	1.06	13% Increase
Next	10,000 gallons (per 1,000 gallons)	7.24	8.19	0.95	13% Increase
Next	20,000 gallons (per 1,000 gallons)	6.39	7.22	0.83	13% Increase
Over	40,000 gallons (per 1,000 gallons)	6.08	6.89	0.81	13% Increase

<u>Rockwell Village</u>					
First	12,000 gallons (Minimum Bill)	\$30.06	\$34.00	\$3.94	13% Increase
Over	12,000 gallons (per 100 gallons)	0.2504	0.2830	0.0326	13% Increase

Average Monthly Bills

<u>Owenton- Outside City</u>	<u>Average Monthly Usage</u>	<u>Phase 3 Average Bill</u>	<u>Phase 4 Average Bill</u>	<u>\$ Change</u>	<u>% Change</u>
Residential	2,657 gallons	\$32.48	\$36.73	\$4.25	13% Increase

<u>Owenton- Inside City</u>	<u>Average Monthly Usage</u>	<u>Phase 3 Average Bill</u>	<u>Phase 4 Average Bill</u>	<u>\$ Change</u>	<u>% Change</u>
Residential	2,866 gallons	\$34.86	\$39.42	\$4.56	13% Increase
Commercial	17,437 gallons	148.60	168.07	19.47	13% Increase
Public Authority	20,595 gallons	170.96	193.36	22.40	13% Increase
 <u>Rockwell Village</u>					
Residential	2,990 gallons	\$30.06	\$34.00	\$3.94	13% Increase
Commercial	56,573 gallons	141.67	160.14	18.47	13% Increase
Industrial	16,532 gallons	41.41	46.83	5.42	13% Increase

This filing may be examined at the offices of Kentucky-American located at 2300 Richmond Road in Lexington, Kentucky.

This filing may also be examined at the offices of the Public Service Commission located at 211 Sower Boulevard in Frankfort, Kentucky, Monday – Friday from 8:00 am – 4:30 pm or on the PSC website at <http://psc.ky.gov>.

A copy of the PSC Staff report can be found at the following address:

http://psc.ky.gov/pscscf/2014%20Cases/2014-00390//20150331_PSC_Staff%20Report.pdf

Any person may submit comments on the proposed request no later than June 8, 2015. Comments shall be in writing and shall be submitted to the Executive Director, Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky, 40602. Comments may also be submitted by electronic mail to psc.info@ky.gov. If the Commission does not receive any requests for intervention or hearing in this matter by June 8, 2015, the Commission will proceed to render a decision in the matter.