

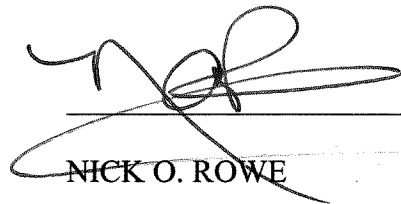
COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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 NICK O. ROWE REGARDING CUSTOMER NOTICE OF PHASE II
RATES

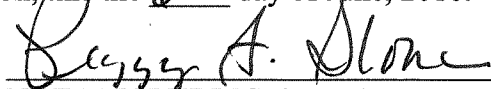
Comes Nick O. Rowe, President, Kentucky-American Water Company, and states that on May 26, 2016, the notice attached hereto as Exhibit 1 was mailed to all wastewater customers.



NICK O. ROWE

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF FAYETTE)

Subscribed and sworn to before me by Nick O. Rowe, President, Kentucky-American Water Company, for and on behalf of said corporation, this the 16th day of June, 2016.



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

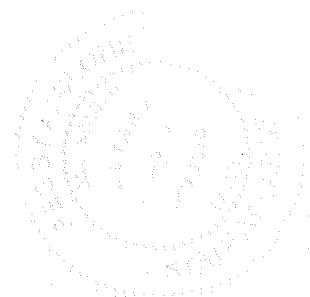


EXHIBIT 1

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% in four phases. Pursuant to the PSC's Orders of July 2 and 24, 2015, in Case No. 2014-00390, Kentucky-American will implement the revised rates, effective July 2, 2016:

Phase 2: To be implemented one year after the effective date of Phase 1 on July 2, 2016.

<u>Owenton – Within the City Limits</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 Limits rates are not revised during this phase.