

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

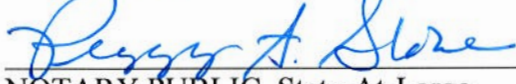
Comes Cheryl D. Norton, President, Kentucky-American Water Company, and states that on November 14, 2014, which was no later than the date the application was submitted to the Commission, the notice attached hereto as Exhibit 1 was mailed to all customers. Affiant further states that on December 9, 2014, the notice attached hereto as Exhibit 2 was mailed to customers in the Rockwell Village Mobile Home Subdivision regarding the sewer rate for water usage over 12,000 gallons.



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 22nd day of December, 2014.



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

Exhibit 1

NOTICE

Notice is hereby given that Kentucky-American Water Company, a Kentucky corporation, seeks approval by the Public Service Commission, Frankfort, Kentucky, for an adjustment of sewer rates to be filed November 14, 2014, for service rendered on and after December 14, 2014 and a second adjustment effective for service rendered on and after December 14, 2015, in the total amount of \$61,183 on an annual basis. This is being requested in an increase in the total amount of \$29,139 on an annual basis beginning December 14, 2014 and an increase in the total amount of \$32,050 on annual basis beginning December 14, 2015. The percentage of increase will be an overall increase of 20.43% to Kentucky-American Water Company. The percentage increase is 9.73% on current revenues effective December 14, 2014, and an increase of 10.70% on current revenues effective December 14, 2015. The amount of increase per customer class for Kentucky-American Water Company is:

<u>Rockwell</u>	<u>Total Increase</u>		<u>December 2014</u>		<u>December 2015</u>	
			<u>Increase</u>		<u>Increase</u>	
Residential	\$4,209	21.00%	\$2,008	10.02%	\$2,201	9.99%
Commercial	\$1,012	20.99%	\$482	10.00%	\$530	9.99%
Industrial	\$75	21.00%	\$36	10.02%	\$39	9.99%
<u>Owenton – Inside City</u>						
Residential	\$31,695	21.00%	\$15,089	10.00%	\$16,606	10.00%
Commercial	\$21,149	21.00%	\$10,070	10.00%	\$11,079	10.00%
Other Public Authority	\$3,043	21.02%	\$1,448	10.00%	\$1,595	10.02%
<u>Owenton – Outside City</u>						
Residential	\$0	0.00%	\$0	0.00%	\$0	0.00%

The effect upon the average bill for each customer class on which the proposed rate change will apply is an increase:

<u>Rockwell</u>	<u>Average Usage</u>	<u>Total Impact on Average Bill</u>		<u>December 2014</u>		<u>December 2015</u>	
				<u>Impact</u>		<u>Impact</u>	
Residential	2,990 gal	\$4.36	21.00%	\$2.08	10.00%	\$2.28	10.00%

Commercial	56,573 gal	\$20.61	21.00%	\$9.82	10.01%	\$10.78	9.99%
Industrial	16,532 gal	\$6.01	21.01%	\$2.86	10.00%	\$3.14	10.00%
<u>Owenton – Inside City</u>							
Residential	2,866 gal	\$5.05	20.98%	\$2.40	9.99%	\$2.64	9.99%
Commercial	17,437 gal	\$12.54	20.94%	\$5.97	9.96%	\$6.58	9.98%
Other Public Authority	20,595 gal	\$24.82	21.03%	\$11.81	10.01%	\$13.01	10.02%
<u>Owenton – Outside City</u>							
Residential	2,657 gal	\$0	0.00%	\$0	0.00%	\$0	0.00%

The present sewer rates charged by Kentucky-American Water Company are as follows:

CLASSIFICATION OF SERVICE
SEWER SERVICE – ROCKWELL VILLAGE

	<u>RATE PER UNIT</u>
SEWER SERVICE	
First 12,000 gallons of water (Actual usage in gallons divided by 12,000 gallons multiplied by \$20.75)	\$20.75 per residential service

CLASSIFICATION OF SERVICE
SEWER SERVICE - OWENTON

Applicable

Applicable to all customers in the City of Owenton.

Availability of Service

Available for Residential, Commercial, Industrial, Sales for Resale, Municipal and All Other

Public Authority metered Service.

Monthly Water Rates

The following shall be the rates for sewer.

Within the City Limits

	Per 1,000 gallons
First 2,000 gallons	\$17.27 minimum bill
Next 1,000 gallons	7.84 per 1,000 gallons
Next 2,000 gallons	6.17 per 1,000 gallons
Next 5,000 gallons	5.59 per 1,000 gallons
Next 10,000 gallons	5.00 per 1,000 gallons
Next 20,000 gallons	4.41 per 1,000 gallons
All over 40,000 gallons	4.20 per 1,000 gallons

	Per CCF
First 2.67 CCF	\$17.27 minimum bill
Next 1.33 CCF	5.88 per CCF
Next 2.67 CCF	4.6275 per CCF
Next 6.67 CCF	4.1925 per CCF
Next 13.33 CCF	3.75 per CCF
Next 26.67 CCF	3.3075 per CCF
All over 53.34 CCF	3.15 per CCF

Outside the City Limits

First 2,000 gallons	\$24.18 minimum bill
Next 1,000 gallons	10.98 per 1,000 gallons
Next 2,000 gallons	8.65 per 1,000 gallons
Next 5,000 gallons	7.82 per 1,000 gallons
Next 10,000 gallons	6.99 per 1,000 gallons
Next 20,000 gallons	6.17 per 1,000 gallons
All over 40,000 gallons	5.88 per 1,000 gallons

First 2.67 CCF	\$24.18 minimum bill
Next 1.33 CCF	8.235 per CCF
Next 2.67 CCF	6.4875 per CCF
Next 6.67 CCF	5.865 per CCF
Next 13.33 CCF	5.2425 per CCF
Next 26.67 CCF	4.6275 per CCF
All over 53.34 CCF	4.41 per CCF

The proposed sewer rates charged by Kentucky-American Water Company are as follows:

CLASSIFICATION OF SERVICE
SEWER SERVICE – ROCKWELL VILLAGE

Applicable

Applicable to all customers in the Rockwell Village Mobile Home Subdivision.

Availability of Service

Available for Residential, Commercial, Industrial, Municipal and All Other Public Authority Service.

Monthly Rates (effective 12/14/2014)

SEWER SERVICE	<u>RATE</u>
Up to 12,000 gallons of water	\$22.83

Monthly Rates (effective 12/14/2015)

SEWER SERVICE	<u>RATE</u>
Up to 12,000 gallons of water	\$25.11

CLASSIFICATION OF SERVICE
SEWER SERVICE – OWENTON

Applicable

Applicable to all customers in the City of Owenton.

Availability of Service

Available for Residential, Commercial, Industrial, Sales for Resale, Municipal and All Other Public Authority metered Service.

Monthly Rates (effective 12/14/2014)

The following shall be the rates for sewer.

Within the City Limits

	Per 1,000 gallons
First 2,000 gallons	\$18.997 minimum bill
Next 1,000 gallons	8.62 per 1,000 gallons
Next 2,000 gallons	6.79 per 1,000 gallons
Next 5,000 gallons	6.15 per 1,000 gallons
Next 10,000 gallons	5.50 per 1,000 gallons
Next 20,000 gallons	4.85 per 1,000 gallons
All over 40,000 gallons	4.62 per 1,000 gallons

	Per 100 gallons
First 20 100 gallons	\$18.997 minimum bill
Next 10 100 gallons	\$0.862 per 100 gallons
Next 20 100 gallons	\$0.679 per 100 gallons
Next 50 100 gallons	\$0.615 per 100 gallons
Next 100 100 gallons	\$0.550 per 100 gallons
Next 200 100 gallons	\$0.485 per 100 gallons
All over 400 100 gallons	\$0.462 per 100 gallons

Outside the City Limits

	Per 1,000 gallons
First 2,000 gallons	\$24.18 minimum bill
Next 1,000 gallons	10.98 per 1,000 gallons
Next 2,000 gallons	8.65 per 1,000 gallons
Next 5,000 gallons	7.82 per 1,000 gallons
Next 10,000 gallons	6.99 per 1,000 gallons
Next 20,000 gallons	6.17 per 1,000 gallons
All over 40,000 gallons	5.88 per 1,000 gallons

	Per 100 gallons
First 20 100 gallons	\$24.18 minimum bill
Next 10 100 gallons	\$1.098 per 100 gallons
Next 20 100 gallons	\$0.865 per 100 gallons
Next 50 100 gallons	\$0.782 per 100 gallons
Next 100 100 gallons	\$0.699 per 100 gallons
Next 200 100 gallons	\$0.617 per 100 gallons
All over 400 100 gallons	\$0.588 per 100 gallons

Monthly Rates (effective 12/14/2015)

The following shall be the rates for sewer.

Within the City Limits

	Per 1,000 gallons
First 2,000 gallons	\$20.897 minimum bill
Next 1,000 gallons	9.48 per 1,000 gallons
Next 2,000 gallons	7.47 per 1,000 gallons
Next 5,000 gallons	6.77 per 1,000 gallons
Next 10,000 gallons	6.05 per 1,000 gallons
Next 20,000 gallons	5.34 per 1,000 gallons
All over 40,000 gallons	5.08 per 1,000 gallons

	Per 100 gallons
First 20 100 gallons	\$20.897 minimum bill
Next 10 100 gallons	\$0.948 per 100 gallons
Next 20 100 gallons	\$0.747 per 100 gallons
Next 50 100 gallons	\$0.677 per 100 gallons
Next 100 100 gallons	\$0.605 per 100 gallons
Next 200 100 gallons	\$0.534 per 100 gallons
All over 400 100 gallons	\$0.508 per 100 gallons

Outside the City Limits

	Per 1,000 gallons
First 2,000 gallons	\$24.18 minimum bill
Next 1,000 gallons	10.98 per 1,000 gallons

	Per 100 gallons
First 20 100 gallons	\$24.18 minimum bill
Next 10 100 gallons	\$1.098 per 100 gallons

Next 2,000 gallons	8.65 per 1,000 gallons	Next 20 100 gallons	\$0.865 per 100 gallons
Next 5,000 gallons	7.82 per 1,000 gallons	Next 50 100 gallons	\$0.782 per 100 gallons
Next 10,000 gallons	6.99 per 1,000 gallons	Next 100 100 gallons	\$0.699 per 100 gallons
Next 20,000 gallons	6.17 per 1,000 gallons	Next 200 100 gallons	\$0.617 per 100 gallons
All over 40,000 gallons	5.88 per 1,000 gallons	All over 400 100 gallons	\$0.588 per 100 gallons

The rates contained in this notice are the rates proposed by Kentucky-American Water Company; however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates for consumers other than the rates in this notice.

Any person may examine the rate application and any other filings made by Kentucky-American Water Company at its offices at the address below.

Any person may examine this application at the offices of the Public Service Commission, Monday through Friday, 8:00 am to 4:30 pm at the address below or through the Public Service Commission website at <http://psc.ky.gov>.

Notice is further given that any person may submit a timely written request for intervention in the matter to the Public Service Commission at the address below, establishing grounds for the request including the status and interest of the party. If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the initial publication or mailing of the notice, the Public Service Commission may take final action on the application. Comments regarding the application may be submitted to the Public Service Commission through the Commission's website or by mail at the address below.

Kentucky-American Water Company
Attn.: Linda C. Bridwell
2300 Richmond Road
Lexington, Kentucky 40502
Telephone: 859-269-2386

Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602
Telephone: 502-564-3940

Exhibit 2

NOTICE

On November 14, 2014, Kentucky-American Water Company ("Kentucky American Water") filed with the Kentucky Public Service Commission ("PSC") to increase the sewer rates charged to residents of Rockwell Village. Kentucky American Water requested the proposed rates be implemented to all customer classifications in two (2) phases as shown below:

Phase I (Effective for service rendered from December 14, 2014 to December 13, 2015):

	<u>Current Rate</u>	<u>Phase-1 Rate</u>	<u>\$ Change</u>	<u>% Change</u>
First 12,000 gallons (Minimum bill)	\$20.7500	\$22.8300	\$2.0800	10% Increase
Over 12,000 gallons (per 100 gallons)	0.1729	0.1902	0.0173	10% Increase

The Phase I bill for an average residential customer using 3,000 gallons each month would increase \$2.08 per month, from \$20.75 to \$22.83 or 10%.

The Phase I bill for an average commercial customer using 56,800 gallons each month would increase \$9.83 per month, from \$98.21 to \$108.04 or 10%.

The Phase I bill for an average industrial customer using 16,500 gallons each month would increase \$2.86 per month, from \$28.53 to \$31.39 or 10%.

Phase II (Effective for service rendered on and after December 14, 2015):

	<u>Phase-1 Rate</u>	<u>Phase-2 Rate</u>	<u>\$ Change</u>	<u>% Change</u>
First 12,000 gallons (Minimum Bill)	\$22.8300	\$25.1100	\$2.2800	10% Increase
Over 12,000 gallons (per 100 gallons)	0.1902	0.2092	0.0190	10% Increase

The Phase II bill for an average residential customer using 3,000 gallons each month would increase \$2.28 per month, from \$22.83 to \$25.11 or 10%.

The Phase II bill for an average commercial customer using 56,800 gallons each month would increase \$10.79 per month, from \$108.04 to \$118.83 or 10%.

The Phase II bill for an average industrial customer using 16,500 gallons each month would increase \$3.13 per month, from \$31.39 to \$34.52 or 10%.

After both phases are implemented, the bill for an average residential customer using 3,000 gallons each month would increase \$4.36 per month, from \$20.75 to \$25.11 or 21%. After both phases are implemented, the bill for an average commercial customer using 56,800 gallons each month would increase \$20.62 per month, from \$98.21 to \$118.83 or 21%. After both phases are implemented, the bill for an average industrial customer using 16,500 each month would increase \$5.99 per month, from \$28.53 to \$34.52 or 21%. This filing may be examined at the offices of Kentucky American Water 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>.

Comments regarding this filing may be submitted by mail to the Public Service Commission, Post Office Box 615, Frankfort KY 40602; or through its website at <http://psc.ky.gov>.

The rates contained in this notice are the rates proposed by Kentucky American Water but the Public Service Commission may order rates that differ from the proposed rates.

Any person may submit a timely written request for intervention to the PSC which establishes the grounds for the request including the status and interest of the party.

If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the providing of this notice, the Public Service Commission may take final action on the filing.