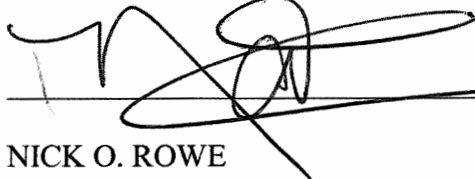


**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF:)
)
THE VERIFIED JOINT APPLICATION OF)
CLASSIC CONSTRUCTION, INC. AND) **CASE NO. 2016-00222**
KENTUCKY- AMERICAN WATER COMPANY)
FOR THE TRANSFER OF THE RIDGEWOOD)
WASTEWATER ASSETS)

AFFIDAVIT OF NICK O. ROWE REGARDING CUSTOMER NOTICE

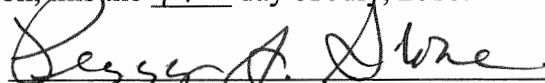
Comes Nick O. Rowe, President, Kentucky-American Water Company, and states that on July 7, 2016, the notice attached hereto as Exhibit 1 was mailed to all Ridgewood customers.



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 19th day of July, 2016.



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

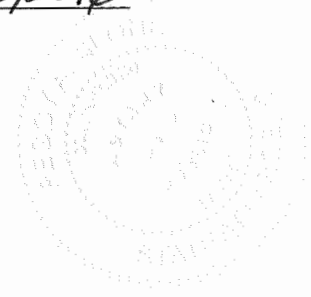


EXHIBIT 1

NOTICE

On July 7, 2016, Kentucky-American Water Company ("Kentucky American Water") filed an application with the Kentucky Public Service Commission ("PSC") to adopt the Ridgewood Subdivision tariffs as part of a request in Change of Control of the Ridgewood Subdivision wastewater system. Kentucky American Water has requested the proposed rates be effective for service rendered on and after October 7, 2016 to all customer classifications as shown below:

Proposed Rates (Effective for service rendered on and after October 7, 2016):

Monthly Rate

(applicable to all

customer classifications)

| | <u>Current Rate</u> | <u>Proposed Rate</u> | <u>\$ Change</u> | <u>% Change</u> |
|------|---------------------|----------------------|------------------|-----------------|
| 5/8" | \$36.57 | \$36.57 | \$0.00 | 0% |

Average Monthly Bills: (Flat fee not based on usage)

| | <u>Current Average Bill</u> | <u>Proposed Average Bill</u> | <u>\$ Change</u> | <u>% Change</u> |
|-------------|---------------------------------|----------------------------------|------------------|-----------------|
| Residential | \$36.57 | \$36.57 | \$0.00 | 0% |

Payments and fees:

| <u>Description</u> | <u>Current Rate</u> | <u>Proposed Rate</u> | <u>\$ Change</u> | <u>% Change</u> |
|--------------------------------|---------------------|----------------------|------------------|-----------------|
| Late Payment | 10% | 5% | | 50% Decrease |
| Insufficient Funds | \$20.00 | \$12.00 | \$8.00 | 40% Decrease |
| Disconnection from main | 750.00 | 750.00 | 0.00 | 0% |
| Reconnection to main | 750.00 | 750.00 | 0.00 | 0% |
| Connection to main | 0.00 | 750.00 | 750.00 | New |
| Disconnection of water service | 0.00 | 56.00 | 56.00 | New |
| Activation fee for new account | 0.00 | 28.00 | 28.00 | New |

Kentucky American Water has proposed to adopt the current Ridgewood Subdivision monthly rates, disconnection and reconnection fees. Kentucky American Water has proposed to apply other fees, such as the Late Payment Fee, Insufficient Funds Charge, disconnection fee that requires a turn-off of water service, and an activation of account fee as charged to its other sewer customers under Kentucky American Water's current tariffs. Kentucky American Water has also proposed a clarification that the Reconnection fee to physically connect to the collection main also be applied to any new connections.

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 Public Service Commission, Post Office Box 615, Frankfort KY 40602, 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.