


COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:)
)
THE VERIFIED JOINT APPLICATION OF)
EASTERN ROCKCASTLE WATER ASSOCIATION) **CASE NO. 2017-00383**
AND KENTUCKY-AMERICAN WATER COMPANY)
FOR THE TRANSFER OF CONTROL AND ASSETS)

CERTIFICATION OF RESPONSES TO INFORMATION REQUESTS

This is to certify that I have supervised the preparation of Kentucky-American Water Company's November 6, 2017 responses to the Commission Staff's First Request for Information and that the responses are true and accurate to the best of my knowledge, information and belief formed after reasonable inquiry.

Date: November 6, 2017


Linda C. Bridwell
Manager Rates and Regulation
Kentucky-American Water Company

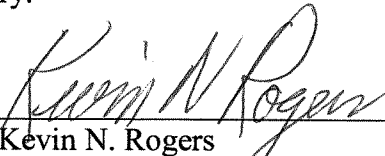
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Date: 11/6/17



Kevin N. Rogers
Vice President of Operations
Kentucky-American Water Company

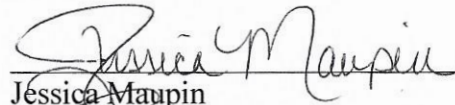
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CERTIFICATION OF RESPONSES TO INFORMATION REQUESTS

This is to certify that I have supervised the preparation of Eastern Rockcastle Water Association's November 6, 2017 responses to the Commission Staff's First Request for Information and that the responses are true and accurate to the best of my knowledge, information and belief formed after reasonable inquiry.

Date: 11/03/2017



Jessica Maupin
Clerk
Eastern Rockcastle Water Association

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Witness: Kevin Rogers / Russell W. Barron

1. Provide all documentation relating to Joint Applicants' authorization of the Asset Purchase Agreement ("APA") by which Kentucky American will acquire Eastern Rockcastle's assets.

Response:

Please see attached. Certain information is confidential and subject to a petition for confidential protection.



Eastern Rockcastle Water Association

July 25 - 08

...

TO: ALL ERWA CUSTOMERS

This letter is being sent to all Eastern Rockcastle Water Association customers to inform them of a proposal by ERWA.

The Board of Directors of Eastern Rockcastle Water Association has had many meetings looking for a solution to better serve our customers and after meeting with Kentucky American Water, we feel that they are an excellent company that is better equipped to serve the needs of ERWA.

Kentucky American Water is a large corporation that serves a large portion of Kentucky. They have the resources to provide better services than have been provided in the past by Eastern Rockcastle Water Association.

If ownership stays with Eastern Rockcastle Water Association there will have to be a substantial rate increase to remain in business. Kentucky American Water is proposing to keep the water rates as they are for now.

Therefore, Eastern Rockcastle Water Association is asking its members to vote for their preference: to remain with Eastern Rockcastle Water Association or to choose to be under new ownership and management of Kentucky American Water.

Please read these instructions carefully.

- Each active account is entitled to one ballot.
- Your ballot is included with this letter, along with a self-addressed envelope for its return.
- As stated on the ballot, you may select up to 1 water provider for this election. If more than 1 water provider is selected, your vote will be discarded.
- Please make your selection and return the ballot in the provided envelope to the ERWA office, by mail or in person, on or before 6:00 p.m., Monday, August 21st, 2017.

DO NOT INCLUDE PAYMENT WITH YOUR BALLOT!!!

THESE ENVELOPES WILL REMAIN SEALED AND BE PLACED IN A SEALED BALLOT BOX UNTIL THE TIME OF THE ELECTION.

If you have any questions please call the ERWA office at [606-453-0019](tel:606-453-0019).

 866 people reached

Boost Post



Eastern Rockcastle Water Association

July 7 · 🌐



ATTENTION Eastern Rockcastle Water Association Customers:
All ERWA customers are encouraged to attend the monthly board meeting on July 17th, 2017, 6 p.m. at the ERWA office. Information will be shared regarding the upcoming takeover by Kentucky American Water.

 953 people reached

[Boost Post](#)

Eastern Rockcastle Water Association, Inc.

P.O. Box 540

Mt. Vernon, KY 40456-540

Phone: 606-453-0019

Fax: 606-453-0020

Minutes

Board of Directors Monthly Meeting

June 19, 2017

Board Members:

Russell Barron

Louie Northern

Carolyn Hinton

Bentley Cromer

Dwight Mink

Minutes of the ERWA Board of Directors

Monthly Meeting June 19, 2017

The Eastern Rockcastle Water Association, Inc. Board of Directors held its monthly meeting on June 19, 2017 in the Livingston Visitors Room, 9246 Main St., Livingston, KY.

President, Russell Barron, called the meeting to order at 6:00 p.m. Roll call was taken with board members Russell Barron, Louie Northern, Carolyn Hinton, and Bentley Cromer. Dwight Mink was unable to attend. Also present was ERWA clerk Jessica Maupin and ERWA certified operator Rodney Trowbridge. As these meetings are now open to the public; a visitor's log is attached.

Approval of Minutes:

The minutes of the May 15, 2017 meeting were presented. Carolyn Hinton made a motion to accept the minutes as read. Louie Northern seconded the motion. All were in favor; the motion carried.

Approval of Financial Report:

The financial report for May 2017 was presented. A motion to accept the financial reports was made by Bentley Cromer with a second by Louie Northern. All were in favor; the motion carried.

Old Business:

Board of Directors discussed the takeover by Kentucky American Water.

Board of Directors discussed the lawsuit with the City of Mt. Vernon.

New Business:


There was no new business.

Adjournment:


With no further business, a motion to adjourn was made by Louie Northern with a second by Bentley Cromer. All were in favor; the motion carried. The meeting adjourned at 6:56 p.m.



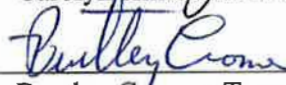
Russell Barron, President



Louie Northern, Vice President



Carolyn Hinton, Secretary



Bentley Cromer, Treasurer

Date Approved: 9/17/17

Eastern Rockcastle Water Association, Inc.

P.O. Box 540

Mt. Vernon, KY 40456-540

Phone: 606-453-0019

Fax: 606-453-0020

Minutes

Board of Directors Monthly Meeting

July 17, 2017

Board Members:

Russell Barron

Louie Northern

Carolyn Hinton

Bentley Cromer

Dwight Mink

Minutes of the ERWA Board of Directors

Monthly Meeting

July 17, 2017

The Eastern Rockcastle Water Association, Inc. Board of Directors held its monthly meeting on July 17, 2017 in the Livingston Visitors Room, 9246 Main St., Livingston, KY.

President, Russell Barron, called the meeting to order at 6:00 p.m. Roll call was taken with board members Russell Barron, Louie Northern, Carolyn Hinton, Bentley Cromer, and Dwight Mink. Also present was ERWA clerk Jessica Maupin. As these meetings are now open to the public; a visitor's log is attached.

Approval of Minutes:

The minutes of the June 19, 2017 meeting were presented. Bentley Cromer made a motion to accept the minutes as read. Dwight Mink seconded the motion. All were in favor; the motion carried.

Approval of Financial Report:

The financial report for June 2017 was presented. A motion to accept the financial reports was made by Louie Northern with a second by Bentley Cromer. All were in favor; the motion carried.

Old Business:

There was no old business.

New Business:


We had several ERWA customers with questions about the possibility of Kentucky American Water purchasing Eastern Rockcastle Water Association. After much discussion the Board of Directors informed the customers, all ERWA customers will get a ballot through the mail and get to vote.

Adjournment:

With no further business, a motion to adjourn was made by Louie Northern with a second by Dwight Mink. All were in favor; the motion carried. The meeting adjourned at 7:08 p.m.



Russell Barron, President



Louie Northern, Vice President



Carolyn Hinton, Secretary

Bentley Cromer, Treasurer

Date Approved: 8/21/2017

EASTERN ROCKCASTLE WATER ASSOCIATION**P.O. Box 540****Mt. Vernon, KY 40456****Phone: 606-453-0019****Fax: 606-453-0020**

JULY 2017

TO: ALL ERWA CUSTOMERS

This letter is being sent to all Eastern Rockcastle Water Association customers to inform them of a proposal by ERWA.

The Board of Directors of Eastern Rockcastle Water Association has had many meetings looking for a solution to better serve our customers and after meeting with Kentucky American Water, we feel that they are an excellent company that is better equipped to serve the needs of ERWA.

Kentucky American Water is a large corporation that serves a large portion of Kentucky. They have the resources to provide better services than have been provided in the past by Eastern Rockcastle Water Association.

If ownership stays with Eastern Rockcastle Water Association there will have to be a substantial rate increase to remain in business. Kentucky American Water is proposing to keep the water rates as they are for now.

Therefore, Eastern Rockcastle Water Association is asking its members to vote for their preference: to remain with Eastern Rockcastle Water Association or to choose to be under new ownership and management of Kentucky American Water.

Please read these instructions carefully.

- Each active account is entitled to one ballot.
- Your ballot is included with this letter, along with a self-addressed envelope for its return.
- As stated on the ballot, you may select up to 1 water provider for this election. If more than 1 water provider is selected; your vote will be discarded.
- Please make your selection and return the ballot in the provided envelope to the ERWA office, by mail or in person, on or before 6:00 p.m., Monday, August 21st, 2017.

DO NOT INCLUDE PAYMENT WITH YOUR BALLOT!!!

**THESE ENVELOPES WILL REMAIN SEALED AND BE PLACED IN A SEALED
BALLOT BOX UNTIL THE TIME OF THE ELECTION.**

If you have any questions please call the ERWA office at 606-453-0019.

Eastern Rockcastle Water Association is an equal opportunity provider and employer.

Eastern Rockcastle Water Association, Inc.

P.O. Box 540

Mt. Vernon, KY 40456-540

Phone: 606-453-0019

Fax: 606-453-0020

Minutes

Board of Directors Monthly Meeting

August 21, 2017

Board Members:

Russell Barron

Louie Northern

Carolyn Hinton

Bentley Cromer

Dwight Mink

Minutes of the ERWA Board of Directors

Monthly Meeting

August 21, 2017

The Eastern Rockcastle Water Association, Inc. Board of Directors held its monthly meeting on August 21, 2017 in the Livingston Visitors Room, 9246 Main St., Livingston, KY.

President, Russell Barron, called the meeting to order at 6:00 p.m. Roll call was taken with board members Russell Barron, Louie Northern, Carolyn Hinton, and Dwight Mink. Bentley Cromer was unable to attend. Also present was ERWA clerk Jessica Maupin and ERWA certified operator Rodney Trowbridge. As these meetings are now open to the public; a visitor's log is attached.

Approval of Minutes:

The minutes of the July 17, 2017 meeting were presented. Carolyn Hinton made a motion to accept the minutes as read. Dwight Mink seconded the motion. All were in favor; the motion carried.

Approval of Financial Report:

The financial report for July 2017 was presented. A motion to accept the financial reports was made by Carolyn Hinton with a second by Dwight Mink. All were in favor; the motion carried.

Election:

Livingston Mayor, Jason Medley, and Livingston Chief of Police, Travis Richardson, tallied the votes. Russell Barron announced the results of the election. Kentucky American Water received 231 votes. Eastern Rockcastle Water Association received 41 votes.

Russell Barron informed the customers ERWA has received another proposal from Western Rockcastle Water Association, to do an Operational Contract. We want what is best for Eastern Rockcastle Water Association, so we will consider all proposals and then negotiate.

The customers voiced their opinions.

Kentucky American Water representatives were present to answer any questions. After the discussion ERWA board members and Kentucky American Water will get with each of their attorney's and see when they can all meet and negotiate.

There was no old business or new business to discuss at this time.

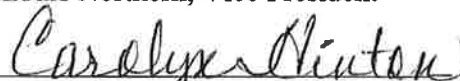
Adjournment:

With no further business, a motion to adjourn was made by Dwight Mink with a second by Carolyn Hinton. All were in favor; the motion carried. The meeting adjourned at 7:28 p.m.



Russell Barron, President

Louie Northern, Vice President



Carolyn Hinton, Secretary



Bentley Cromer, Treasurer

Date Approved: 9/18/2017

Eastern Rockcastle Water Association, Inc.

P.O. Box 540

Mt. Vernon, KY 40456-540

Phone: 606-453-0019

Fax: 606-453-0020

Minutes

Board of Directors Monthly Meeting

September 18, 2017

Board Members:

Russell Barron

Louie Northern

Carolyn Hinton

Bentley Cromer

Dwight Mink

Minutes of the ERWA Board of Directors

Monthly Meeting September 18, 2017

The Eastern Rockcastle Water Association, Inc. Board of Directors held its monthly meeting on September 18, 2017 in the Livingston Visitors Room, 9246 Main St., Livingston, KY.

President, Russell Barron, called the meeting to order at 6:05 p.m. Roll call was taken with board members Russell Barron, Carolyn Hinton, Bentley Cromer, and Dwight Mink. Louie Northern was unable to attend. Also present was ERWA certified operator Rodney Trowbridge. As these meetings are now open to the public; a visitor's log is attached.

Approval of Minutes:

The minutes of the August 21, 2017 meeting were presented. Bentley Cromer made a motion to accept the minutes as read. Dwight Mink seconded the motion. All were in favor; the motion carried.

Approval of Financial Report:

The financial report for August 2017 was presented. A motion to accept the financial reports was made by Bentley Cromer with a second by Dwight Mink. All were in favor; the motion carried.

Old Business:

Discussion;

ERWA board of directors discussed with Kentucky American Water, they have not presented an amended contract, we must have a contract signed to proceed. After the discussion they agreed to have a meeting at the courthouse in Mt. Vernon on September 19th, at 9:00 a.m. to go over new contract.

Discussion;


ERWA water customer discussed the option of Western Rockcastle Water taking over the company. There was no action taken.

New Business:

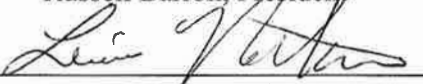
There was no new business to discuss at this time.

Adjournment:

With no further business, a motion to adjourn was made by Carolyn Hinton with a second by Dwight Mink. All were in favor; the motion carried. The meeting adjourned at 8:00 p.m.

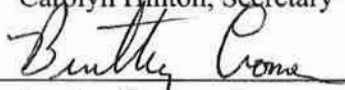


Russell Barron, President



Louie Northern, Vice President

Carolyn Hinton, Secretary



Bentley Cromer, Treasurer

Date Approved: _____

Eastern Rockcastle Water Association, Inc.

P.O. Box 540

Mt. Vernon, KY 40456-540

Phone: 606-453-0019

Fax: 606-453-0020

Minutes

Board of Directors Monthly Meeting

October 16, 2017

Board Members:

Russell Barron

Louie Northern

Carolyn Hinton

Bentley Cromer

Dwight Mink

Minutes of the ERWA Board of Directors

Monthly Meeting

October 16, 2017

The Eastern Rockcastle Water Association, Inc. Board of Directors held its monthly meeting on October 16, 2017 in the Livingston Visitors Room, 9246 Main St., Livingston, KY.

President, Russell Barron, called the meeting to order at 6:00 p.m. Roll call was taken with board members Russell Barron, Louie Northern, Bentley Cromer, and Dwight Mink. Carolyn Hinton was unable to attend. Also present was ERWA clerk Jessica Maupin and ERWA certified operator Rodney Trowbridge. As these meetings are now open to the public; a visitor's log is attached.

Approval of Minutes:

The minutes of the September 18, 2017 meeting were presented. Louie Northern made a motion to accept the minutes as read. Bentley Cromer seconded the motion. All were in favor; the motion carried.

Approval of Financial Report:

The financial report for September 2017 was presented. A motion to accept the financial reports was made by Bentley Cromer with a second by Louie Northern. All were in favor; the motion carried.

Old Business:

Russell Barron informed the board, an Asset Purchase Agreement was signed on September 19, 2017 with Kentucky American Water. The Joint Application with Kentucky American Water was signed on September 21, 2017 and filed with Public Service Commission on September 22, 2017. The Commission staff has reviewed the application and accepted for filing.

Russell Barron also informed the board in the best interest of all members of the Association all legal action that is currently pending has been dismissed. As of October 30, 2017 the retainer agreement contract with Jerry Cox will be terminated.

New Business:

There was no new business to discuss at this time.

Adjournment:

With no further business, a motion to adjourn was made by Bentley Cromer with a second by Louie Northern. All were in favor; the motion carried. The meeting adjourned at 6:07 p.m.

Russell Barron, President

Louie Northern, Vice President

Carolyn Hinton, Secretary

Bentley Cromer, Treasurer

Date Approved: _____

7/13/2017

Mount Vernon Signal • Thursday, July 13, 2017 • Pg. A3

a care" they received!
President Trump's de-
sist that more such
must be provided — at
er's expense!

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November 8, 2016, we
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what more can He do
is?

Sincerely,

Dossie C. McKinney

"T.J.'s"

(continued from A-2)

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don't know what is go-
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nore. It seems they are
sh and looking for a
an not only to keep
e but keep them up,
They won't work, they

Rockcastle Community Bulletin Board

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Toll Free 1-888-825-2345 • 24-Hour Obit Line 256-5454.

www.coxfuneralhomeky.com

Bookmobile Schedule

Monday, July 17th: Brodhead and Copper Creek. **Tues-
day, July 18th:** Green Hill, Fairview, Lambert Road,
BrindleRidge. **Wednesday, July 19th:** Child Develop-
ment, Seek 'n Learn, Lisa's Little People.

Attention: Eastern Rockcastle Water Association Customers

All Eastern Rockcastle County Water Association
(ERWA) customers are encouraged to attend the monthly
board meeting on Monday, July 17th at 6 p.m. at the
ERWA office in Livingston. During this meeting, infor-
mation will be shared regarding the upcoming takeover
by *Kentucky American Water*.

LEPC Meeting

The quarterly LEPC meeting will be Thursday, July 20,
2017 at noon at the EOC.

Free Summer Meals/Kids and Teens

Free Summer Meals for Kids and Teens are being served
Thursday afternoons through August 3rd from 2 to 4 p.m.
at the *Community Outreach Center, 36 Castle Village
Drive, Brodhead*. No income guidelines, registration or
enrollment required. All children 18 and under are wel-
come.

MVHS Class Reunion

The Mt. Vernon High School Annual Class Reunion will
be held Saturday, Sept. 9th at Rockcastle Middle School.
Registration will begin at 4 p.m. and the meal will be
served at 6 p.m. The Class of 1967 will be honored as the
50-year class. Everyone mark your calendar for this date
and plan on joining us for this event.

Chamber of Commerce Meetings

The Rockcastle County Chamber of Commerce meets
once a month, on the third Tuesday, at noon at Lime-
stone Grille. All members are encouraged to attend.

VPW Post Item

VPW Post 5908 at Lake Linville welcomes all members
and is also looking for new and associate members. New
hours are: Wed. - Sat., 5 p.m. to ? Call 606-386-1490 for
more information.

Rockcastle County Recovery Meetings

*Celebrate Recovery-Brodhead: Located in the Com-
munity Outreach Center (next to Fairgrounds), every

1041

non al
1675 GARRTLOT 0001A-B005
ERWA
PO BOX 540
MOUNT VERNON KY 40456-0540

1 • Number 29 50 per copy Thursday, July 27, 2017



f activities available. Those skills, met first responders Rockcastle Health Department, teaching how to identify out a door prize.



ERWA holding vote for possible takeover by Ky. American Water

By: Mike French
The 600-plus customers of the Eastern Rockcastle Water Association are about to reportedly see much better service, thanks to the efforts of ERWA President Russell Barron and Rockcastle County Judge/Executive Doug Bishop and the Rockcastle County Fiscal Court.

“takeover” of ERWA by the Kentucky American Water Association.

“This will be a wonderful thing for our customers and service will be so much better for everyone involved.”
— Russell Barron

“We have a tremendous debt and we have to make that payment every month. But we haven’t had rate increases. We just can’t keep up with the debt without placing a hardship on our customers by raising rates. This company has

“My goal here is to better serve the people and that is what we will be doing,” said Barron concerning the

agreed to pay off that debt, keep the same employees,

(See “Water” on A5)

August 9 will be first day of school

Open Houses planned

By: Mike French
The time has come for students to begin planning to go back to school. The first day of school in Rockcastle County will be Wednesday, August 9 and students will attend all day.

from 4 to 7 p.m. There will be a kindergarten parent meeting at 6 p.m. at the school.

At MVES, all kindergarten students and parents should report to the gym at 4:30 and all third grade students and parents should be

Brodhead Elementary will hold its Back to School

“Water”

(Continued from front)

not raise the rates on our customers and use their huge resources for our customers.”

Barron said the company has paid on the debt for building the water system for 20 years and is unable to maintain operations unless something is changed. “We had tried to sell to several other water companies but no one was interested until American Water came along. This will be a wonderful thing for our customers and service will be so much better for everyone involved. If we have a line break, or some other problem with service, we just have one man who has to take care of everything and it’s impossible for one man to keep up with the issues that arise at such a company. I take my truck and go help when ever I can. But it’s just two of us searching for a leak and attempting to repair it with no equipment and we simply can’t keep up.”

Barron said Eastern Water is a non-profit company but Kentucky American Water is a for profit organization. “I don’t know how they are going to make any money but they have offered to do this and it will be a big help to our customers.”

Barron said the new company has the equipment and manpower to find a water leak and repair it much faster as well as bring the current system up to date and improve the existing infrastructure to better serve all customers.

Part of the deal with the new company is to retain the current employees. “We have really dedicated people here whose goal is nothing more than serving people.”

Barron said the fiscal court has been very supportive and helped throughout the process.

Judge Bishop said the

stands how Kentucky American Water can help our customers and resolve our debt, the board members will vote to approve the deal,” said Barren.

The current board will dissolve and operations will be handled by the Kentucky American Water Association.

“I’m a customer too,” said Barron. “If we had not made this move, there would have to be a significant rate increase and we just can’t do that to our customers.”

Bishop agreed that the move was inevitable. “We needed upgrades that Kentucky American Water can do that and they have agreed that rates will not go up and could possibly go down a little. Once this is done, customers will see a greatly improved water service and that’s what we all want.”

“Hospital”

(Continued from front)

based on information from surveys taken between July 2015 and June 2016. The survey, known as the Hospital Consumer Assessment of Healthcare Providers and Systems Survey (HCAHPS), collects feedback from patients after their stay in the hospital.

“We have been using feedback from the HCAHPS surveys since 2006,” said Tammy Brock, RN, MSN, CPHRM, director of quality and patient safety at Rockcastle Regional. “This information helps us identify areas where we excel so we can further enhance that high level of service. If it reflects an aspect of care that needs development, we implement a change process to improve it.”

In Kentucky, Rockcastle Regional is the only five-star rated hospital. Forty-five percent of hospitals in the state are rated one or two stars.

agency Care in 2015 and 2016, and a recipient of the 2013 Jackson Healthcare Charitable Services Award. For more information, please visit www.rockcastle.org.

“Garden”

(Continued from front)

currently underway in the city hall building. It was agreed that the police department administrative offices will be located in the renovated structure as well as a chamber for council meetings and other business.

David Bales, Chief of the Mount Vernon Fire Department informed the council that the department made 24 runs in June using 4,100 gallons of water.

The runs included two structure fires, three vehicle fires, one vegetation fire, three controlled burns, nine vehicle accidents one rescue and four service calls.

The department also performed mutual aid calls.

Chief of Police Brian Carter informed the council that the department made 458 calls for service in the month of June.

Among the calls were 30 for non-injury accidents and seven for injury accidents. There were 49 total arrests in the city in June with 15 drug charges and 26 traffic violations. The department served 40 warrants and four grand jury indictments.

The All American Club, headed by councilman Wayne Bullock, reported picking up 35 large trash bags filled with trash from around the city.

Eighteen of those bags came from trash around MVES after some recent flooding.

Two bags were from Davis Street, five bags from Spring Hill, one bag from US 25, four bags from Paul Street, two bags from Renfro Valley one bag from

ive and helped throughout the process.

Judge Bishop said the takeover will solve many problems with the current company and he and Congressman Hal Rogers worked very hard to make this takeover happen. "The company still owes \$770,000 in debt service and, serving a little over 600 customers, it's too hard to dissolve that debt."

Bishop said he and the fiscal court have been searching for a solution for a very long time and he is excited about the takeover. "We offered the company to many other companies but no one was interested. We had to do something. Eastern doesn't have the resources they need. It was just last Christmas that many customers went 17 days without water and that is simply unacceptable. Kentucky American Water is a much bigger company and has operations in many other states as well. They have been in business for 125 years and will greatly improve the service and quality of water to the people of Eastern Rockcastle County."

According to Barron, the takeover should be completed before winter but the board must vote to approve the deal before it is official. Ballots have been mailed to all board members and all it takes is a simple majority to approve the sale.

"I feel very confident that once everyone under-

star rated hospital. Forty-five percent of hospitals in the state received four stars, while another forty-five percent received three stars. Eight percent of hospitals received a two-star rating and there were no facilities rated one star.

Of the 3,436 hospitals included in the rating nationally, only five percent received a five-star rating. About a third of hospitals received a four-star rating. Forty-three percent received a three-star rating, while 16 percent received two stars, and two percent received one star.

Rockcastle Regional Hospital and Respiratory Care Center is a not-for-profit community healthcare system that operates an emergency department, a 20-bed acute care hospital, outpatient services, a 127-bed long-term care program for residents dependent upon mechanical ventilation and three rural health clinics.

Rockcastle Regional Hospital was established in 1956 and is accredited by the Joint Commission. The organization is an eight-time Kentucky Hospital Association Quality Award Winner, a U.S. News & World Report Best Nursing Home for 2013 and 2014, a winner of the Women's Choice Award for America's 100 Best Hospitals for Patient Experience each year 2013-2017, named a Women's Choice Award for one of America's Best Hospitals for Emer-

US 25, four bags from Paul Street, two bags from Renfro Valley, one bag from Comp Care Road, and from the wooded area behind Snack Shack, workers found old clothes, some trash and a used needle.

Club workers also removed two yard sale signs and picked up two more bags around the MVES ditch line.

Bullock informed the council that yard sale signs are "a mess again." Though it has not been discussed by councilmembers as a subject on the agenda, a penalty

For the 2017-2018 school year, students under the National Lunch and Breakfast at no charge program.

Brodhead Elementary
Mt. Vernon Elementary
Roundstone Elementary
Rockcastle County Middle School
Rockcastle County High School

For additional information, contact the
Service Director, 245 Riverside Drive
jamie.saylor@rockcastleky.gov

In accordance with Federal regulations and policies regarding the origin, sex, disability, age, race, and ethnicity of persons who are employed by the Federal Government, or conducted or funded by the Federal Government.

Persons with disabilities who need Braille, large print, and other accommodations where they applied for a program or service may contact USDA through the information may be made available in accessible format.

To file a program completion report, Form (AD-3027) found at the USDA office, or write a letter requested in the form.

Submit your complete report.

(1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for
1400 Independence Avenue
Washington, D.C. 20250

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"Our Focus is on Your Eyes"

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& Dr. Sarah King**

- Optometrists

Eye Exams • Contact Lenses • Glasses

Evening Appointments Available



859-986-7027

Office opening to help those affected by drugs

By: Mike French

Though constant attacks on the drug culture from legislators and local police agencies alike are helping slow the growth of the drug problem in Kentucky, they have been unable to reverse the growth of drug abuse. In

fact, according to law enforcement agencies across the state including the Kentucky State Police, Rockcastle County Sheriff's Office and the Mount Vernon Police Department, the

(See "Drugs" on A7)

Detailed negotiations to begin between ERWA and other companies

By: Mike French

The ballots were counted Monday evening, during a meeting held in Livingston, to determine the possible future of the Eastern Rockcastle Water Association.

The American Water Association, a much larger company, had made an offer to take over operations of the association and, according to officials, had promised to keep rates the

same, retain employees and pay off the debt of nearly \$770,000 all while greatly improving service to the 600-plus customers.

In order for the takeover to occur, a majority of the association members would have to vote "yes" and ballots had been mailed and returned for last night's meeting.

(See "ERWA" on A7)



Jamboree

Rocket football kicks off 7:30 p.m. Jamboree Bowl will take place after the shown above, front row from left: Jordyn Pe left: Rebekah Lake, Sara

Of Special Note Inside

Contact us
Deadline

- Viewpoints Pg. A2
- Church News Pg. A5
- Classifieds Pgs. B4&5
- Court
- Obitu
- Sport

noon this Saturday and the entire community is invited to attend. There will be free food and music.

The fiscal court asks everyone to bring the family and enjoy the afternoon.

“ERWA”

(Continued from front)

Officials say the vote was 231 “yes” votes to 41 “no” votes. However, officials today are saying the wording of the ballot simply gave officials at ERWA approval to begin further negotiations and did not approve the actual takeover by American Water Association..

Officials say more discussion is required that will include much finer details before such a takeover occurs. In fact, other companies who may wish to make an offer to take over operations of ERWA are not yet completely eliminated until such details are worked out and final negotiations are approved.

205 East Main St., Mt. Vernon, Ky.

Rockcastle County Public Library,
60 Ford Drive; Mt. Vernon, KY,
Rockcastle County Solid Waste Office,
2528 South Wilderness Rd.; Mt. Vernon, KY.

Additional information about this plan is available from James Renner, Rockcastle County Solid Waste Coordinator, at 606-256-1902. Anyone unable to review the plan at the above locations may call and request that a copy be delivered or mailed to them.

Any person wishing to comment on the plan may do so by providing comments no later than close of business on September 22nd, 2017 to the Rockcastle County Fiscal Court at 205 East Main St. #14; Mt. Vernon, Kentucky 40456. Any person wishing to be heard at a public hearing must make a request via telephone, fax, email, or written communication, to the governing body identified above, no later than close of business (COB) on the 30th day.

A public hearing is scheduled on September 25th, 2017 at 10 am to receive public comments on the plan. The hearing will be held at the Rockcastle County Judge Executives Office at the Rockcastle County Courthouse. However, if no request for a public hearing has been received by close of business on September 22nd, 2017, the hearing may not be held.

The governing body will respond to written public comments within 15 days of the close of the public comment period, and will consider the plan for passage at a called fiscal court meeting near the end of September. The plan, if approved, will be submitted to the Kentucky Energy and Environment Cabinet for review and approval.

TO THE EDITOR

Christian, Bible toting, gun packing, freedom loving, Constitution believing family. But we all have our faults.

Except this one. I never believed that any one person is better than any other person.

Money doesn't matter, political beliefs, job status or clothing or which church a person attended has ever made a difference to me. We are all God's children and the richest man on earth is no more important to me than a hobo. They will both wind up in the same size hole.

But this one lady stood out.

In the gossip groups, she never spoke except to compliment someone in her soft, gentle voice or to help explain on the gossipee's behalf.

At the groups where there was a disagreement, she calmly lowered her head and walked away never taking a side.

She supported her husband (mom's brother who was a preacher) with her every breath and action.

A negative word never parted her smiling lips. A complaint never left her tongue. A sarcasm was never used in her words. She moved gently and considerately and made sure there was food for everyone before she would eat and a tear could be seen in her eye when the national anthem was played.

What she had, she would give a stranger if they needed it. What she didn't have, she never lusted for but was instead gloriously happy with what she did have.

She outwardly felt blessed with each day God had given her and seemed to be just as grateful that God had given those around her another day.

I never saw her display jealousy, anger, greed, lust, gluttony, laziness or pride except for her pride in her husband.

I know. This sounds like I am blinded by family love or that I am just boasting about her. But the truth is I

ERWA show respect for your members...

Dear Editor,

The ERWA Board recently met to count the votes of its members whether to have the Kentucky American Water Company assume ownership of the water system or to keep it under ERWA.

The results were clear. More than 85% (6 to 1) voted for Kentucky American Water. However, the ERWA chairman would not commit to honoring the results. When asked about it, he would only say he had to consider all proposals and then negotiate.

The ERWA chairman opened the meeting saying the ERWA had received another proposal. He said that he had been approached by the manager and board chairman of the Western Water Association with a proposal to do an "operational contract" with the ERWA, an arrangement that would keep the ERWA in control. Several ERWA members asked why Western Water Association would do this given that the ERWA owed almost \$800,000, could not afford to maintain its water lines, and struggled to pay its monthly debts. In an earlier ERWA monthly meeting it was reported that all surrounding water associations had been contacted and none was interested in taking over the ERWA because of its large indebtedness and problems with its infrastructure. Why would "Western"

saddle it users with such a burden?

Kentucky American Water representatives said they had sent ERWA a proposal in June. They wanted to know what was needed so progress could be made. They said they were willing to maintain a local office, retain current staff, keep water rates low, and payoff ERWA debts.

It is possible that we will lose our safe treated water if the ERWA squanders the offer from American Water. The approximately 1,200 adults and 2,000 children whose health and quality-of-life depend on this water want the ERWA to respect the overwhelming vote of its members.

Elmer Whitler

Thank You...

Dear Editor,

The Livingston Volunteer Fire Department would like to take this opportunity to say a special thanks to the following for donating money for this year's awesome fireworks show for Livingston Homecoming 2017.

Also, thank you to everyone who came out and supported us during the event.

Donors were: Ky. South Central Pool, Kentucky Farm Bureau, NAPA, Eliza York, Doug Bishop, Ford Brothers, Community Trust Bank, Kwik Mart, Coffey & Ford PSC, Citizens Bank, David Lovell, Mike McGuire and Stacy Faulkner.

Thank you, again
Chris Mason, Chief

'Ramblings'

(Continued from A-2)

etween 1996 and 2012, is a move that would significantly reduce the monthly checks that many retirees receive -- in some instances, by 25%. Teachers already have to work 27 years to retire but do not get full benefits unless they are so 55. In the case of one of my daughters and a granddaughter, they will, under the present system, have to work 30 years to receive full benefits.

**THE REMAINDER OF THE ATTACHMENT IS CONFIDENTIAL AND
SUBJECT TO THE PETITION FOR CONFIDENTIAL PROTECTION
FILED ON 11/6/17**

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Witness: Kevin Rogers

2. Provide a list of all assets that Kentucky American will acquire from Eastern Rockcastle, as well as a list of all assets that are excluded from the APA.

Response:

Please refer to Exhibit A of the Joint Application (Asset Purchase Agreement) for a description of assets to be transferred and assets to be excluded from the transaction.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Witness: Linda Bridwell/Kevin Rogers

3. For Kentucky American, describe the following:
- a. Describe Kentucky American's technical ability and resources to manage and operate the Eastern Rockcastle water system.
 - b. Describe Kentucky American's financial ability and resources to manage and operate the Eastern Rockcastle water system, including, but not limited to, available funds, lines of credit, loans, grants, or other financial support.
 - c. Describe Kentucky American's management ability and resources to manage and operate the Eastern Rockcastle water system.

Response:

- a. KAW is engaged in the distribution and sale of water in its Central Division, consisting of Bourbon, Clark, Fayette, Harrison, Jessamine, Nicholas, Scott and Woodford Counties and its Northern Division, consisting of Gallatin, Owen and Grant Counties. KAW currently owns, operates and maintains potable water production, treatment, storage, transmission and distribution systems for the purpose of furnishing potable water for residential, commercial, industrial and governmental users in its service territory. KAW is also engaged in the collection and treatment of wastewater in Franklin, Owen, Bourbon and Clark Counties. At the end of 2016, KAW had 130 employees dedicated to the production and distribution of safe potable water for its customers. KAW has been a long-time partner with the US EPA in the Partnership for Safe Water. KAW employs technical experts in engineering, drinking water quality, construction and water service system maintenance. As a wholly-owned subsidiary of American Water Works Company, Inc., KAW has access to nationally and internationally recognized experts in research, water quality testing, engineering and water system operations. KAW has experience with both urban and rural water system operations that provides it with the technical ability and resources to manage and operate the Eastern Rockcastle water system.
- b. As a wholly-owned subsidiary of American Water Works Company, Inc., KAW has executed an agreement with the American Water Capital Corporation ("AWCC") which allows KAW to execute long-term debt at a much lower rate than on a stand-alone basis. KAW's last application for issuance of indebtedness and continued participation with American Water Capital Corporation was in Case No. 2015-00400. On August 24, 2017, KAW notified the Commission of its

planned issuance of \$5,000,000 of debt as authorized in that proceeding. While KAW is not currently rated by the credit agencies independently, AWCC has A3 and A ratings from Moody's and Standard and Poor's, respectively. KAW also retains short-term debt through AWCC. KAW does not anticipate any changes to this arrangement. As reported in KAW's 2016 Annual report, KAW had \$94,860,875 in operating revenues and a net income of \$18,296,164. KAW has demonstrated a financial stability through its continuous operations and management, and therefore has the financial ability and resources to manage and operate the Eastern Rockcastle system.

- c. KAW was incorporated on February 27, 1882 and has provided continuous operations of its water system since that time, providing safe, potable drinking water to its customers. KAW utilizes 130 employees to manage a system with over 2017 miles of water main, 17,919 line valves, 7,921 hydrants and 130,756 water customers. KAW operates three water treatment plants and maintains 23 storage tanks. KAW manages both urban and rural water infrastructure, and is dedicated to the provision of safe and quality water. KAW has demonstrated the managerial ability and resources to manage and operate the Eastern Rockcastle system as proven over the years in numerous proceedings before this Commission.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Witness: Russell W. Barron

4. Explain whether Eastern Rockcastle holds any customer deposits. If so, state the monetary amount that is being held, and whether Eastern Rockcastle will: return the deposits that it holds; transfer the deposits to Kentucky American; or apply or transfer the funds to another use. If the deposits will be applied for another use, identify the other use.

Response:

Eastern Rockcastle does hold customer deposits. As of October 26, 2017 \$20,221.38 has been collected. Eastern Rockcastle will apply the customers deposit amounts to their final bill, and then mail the remaining balance to the customer.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Witness: Russell Barron

5. State the number of customers currently served by Eastern Rockcastle, and the rates that are charged to its customers. Provide a copy of the rate schedule.

Response:

As of October 27, 2017 Eastern Rockcastle had 608 active customers. A copy of Eastern Rockcastle's rate schedule is attached.

FOR Areas of Rockcastle County/Jackson County
Served by Eastern Rockcastle Water Association

PSC KY NO. _____

_____ SHEET NO. _____

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

Eastern Rockcastle Water Association
(NAME OF UTILITY)

SECTION 2: WATER RATES AND CHARGES

3/4" Meter

First 2,000 Gallons
Over 2,000 Gallons

Rates

\$28.28 Minimum Bill
11.53 Per 1,000 Gallons

1" Meter

First 5,000 Gallons
Over 5,000 Gallons

\$62.87 Minimum Bill
11.53 Per 1,000 Gallons

2" Meter

First 15,000 Gallons
Over 15,000 Gallons

\$178.17 Minimum Bill
11.53 Per 1,000 Gallons

Leak Adjustment Rate

Customers average monthly bill plus

\$3.86 Per 1,000 Gallons

DATE OF ISSUE September 17, 2014
MONTH / DATE / YEAR

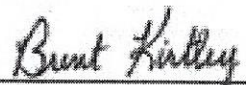
DATE EFFECTIVE May 15, 2015
MONTH / DATE / YEAR

ISSUED BY 
SIGNATURE OF OFFICER

TITLE President

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. _____

_____ DATED _____

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH 
EFFECTIVE 5/15/2015 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR Areas of Rockcastle County/Jackson County
Served by Eastern Rockcastle Water Association

PSC KY NO. _____

_____ SHEET NO. _____

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

Eastern Rockcastle Water Association
(NAME OF UTILITY)

SECTION 2: WATER RATES AND CHARGES (continued)

Credit/Debit Cards.

All customers may pay their bill by credit or debit card. This method of payment may be made in person at the utility office or by telephone.

If on the bill due date an attempt to pay by credit card or debit card is made and the card is declined for any reason, payment is still due in full on that date and will be considered late after that date. All late charges and penalties will be applied. If a customer is paying on our disconnect day and the card is declined, the same rules as above apply, in addition to service being disconnected.

When a customer makes a payment by credit or debit card, the utility will assess a fee equal to that charged to the utility by the credit or debit card processing company to process the transaction. This fee is generally calculated using a formula applied to the balance of the amount charged to the credit or debit account but may be a flat fee per transaction.

Prior to processing the transaction, the customer will be informed of the fee amount and, upon request by the customer, the formula employed to arrive at this fee amount.

DATE OF ISSUE 5/22/13
MONTH / DATE / YEAR

DATE EFFECTIVE 7/1/13
MONTH / DATE / YEAR

ISSUED BY [Signature]
SIGNATURE OF OFFICER

TITLE PRESIDENT

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE
NO. _____ DATED _____

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <u>[Signature]</u>
EFFECTIVE 7/1/2013
PURSUANT TO 807 KAR 5:011 SECTION 8 (1)

FOR Areas of Rockcastle County/Jackson County
served by Easter Rockcastle Water Assn., Inc.
 Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Eastern Rockcastle Water Association
 (Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

SECTION 3: DEPOSIT POLICY

1. The utility requires a cash deposit to secure payment of bills, an equal amount for each class of customers, not to exceed 2/12 of the average annual bill when billed monthly.
2. Deposit amount(s) shall be as follows:

a. 5/8" X 3/4" METER	\$100.00
b. 1" Meter	\$190.00
c. 2" Meter	\$270.00
3. Service will be refused or discontinued if payment of deposit is not made.
4. Deposits may be waived for a customer showing satisfactory credit or payment history with the following criteria being considered: (a) previous history with the utility. If the customer has no previous history with the utility, statements from other utilities, banks, etc., may be presented by the customer as evidence of good credit; (b) Whether the customer has an established income or line of credit; (c) Length of time the customer has resided or been located in the area; (d) Whether the customer owns the property to be served; (e) Whether another customer with a good payment history is willing to sign as a guarantor for an amount equal to the required deposit
5. Interest will accrue on all deposits at the rate prescribed by law beginning on the date of the deposit. Interest accrued will be refunded to the customer or credited to the customer's bill on an annual basis. If interest is paid or credited to the customer's bill prior to twelve (12) months from the date of deposit or the last interest payment date, the payment or credit shall be on a prorated basis.
6. Deposits will be refunded to customers upon termination of service.

DATE OF ISSUE February 28, 2013
Month / Date / Year

DATE EFFECTIVE April 7, 2013
Month / Date / Year

ISSUED BY *Michael McGuire*
Michael McGuire

TITLE President

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
 IN CASE NO. _____ DATED _____

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 4/7/2013
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR Areas of Rockcastle County/Jackson County
Served by Eastern Rockcastle Water Association

PSC KY NO. _____

_____ SHEET NO. _____

EASTERN ROCKCASTLE WATER ASSOCIATIO
(NAME OF UTILITY)

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

SECTION 4: SPECIAL NON RECURRING CHARGES continued

Service Related Charges:

- 1. Service Call / Investigation Charge: \$ 35.00

Will be assessed when a customer requests the onsite presence of utility personnel to investigate a service problem and the problem is a result of the customer's own plumbing facilities, beyond the utility's delivery point, or not caused by failure of utility facilities. Any maintenance and repair of facilities beyond the utility's delivery point is the responsibility of the customer.

- 2. Service Disconnection Charge: \$ 35.00

Will be assessed to disconnect service that has been terminated for non-payment of service or for violation of utility or PSC rules and regulations.

- 3. Service Reconnection Charge: \$ 35.00

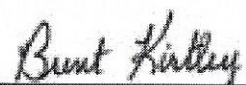
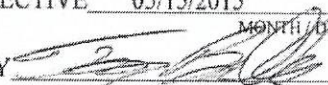
Will be assessed to disconnect service that has been terminated for non-payment of service or for violation of utility or PSC rules and regulations.

- 4. After Hours Service Reconnection Charge: \$ 45.00

Will be assessed to reconnect service that has been terminated for non-payment of service or for violation of utility or PSC rules and regulations.

- 5. Meter Read Charge. \$ 35.00

Will be assessed when a customer that is required to read their own meter fails to do so for two (2) consecutive months and the Association has to send an employee out to read it for the customer.

DATE OF ISSUE <u>09/17/14</u> <small>MONTH / DATE / YEAR</small>	KENTUCKY PUBLIC SERVICE COMMISSION JEFF R. DEROUEN EXECUTIVE DIRECTOR TARIFF BRANCH  EFFECTIVE 5/15/2015 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)
DATE EFFECTIVE <u>05/15/2015</u> <small>MONTH / DATE / YEAR</small>	
ISSUED BY  <small>SIGNATURE OF OFFICER</small>	
TITLE <u>PRESIDENT</u>	
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION	
IN CASE NO. _____ DATED _____	

FOR Areas of Rockcastle County/Jackson County
Served by Eastern Rockcastle Water Association

PSC KY NO. _____

_____ SHEET NO. _____

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

Eastern Rockcastle Water Association
 (NAME OF UTILITY)

SECTION 4: SPECIAL NON RECURRING CHARGES continued

Meter Related Charges:

1. Meter Connection /Tap-On Charge: \$ 875.00

Will be assessed to hook up a new meter connection/tap-on. An additional charge consisting of the actual costs involved shall apply when rock is encountered.

2. Meter Turn-On Charge: \$ 35.00

Will be assessed for new service turn-ons, seasonal turn-ons, temporary service, or transfer of service. The charge will not be made for initial installation of service where a meter connection/tap-on charge is applicable.

3. Meter Relocation Charge/Re-setting Charge: \$ Actual Cost

Will be assessed when a customer or other authorized person requests that a meter be relocated, changed, modified or re-set a meter that has been removed at the customer's request. Those requesting a change must reimburse the utility for the actual costs incurred, including but not limited to appropriate legal, administrative, engineering, overhead, or other related costs.

4. Meter Re-read Charge: \$ 35.00

Will be assessed when a customer requests the utility to re-read the customer's meter and the re-read proves that the original meter reading was correct.

5. Meter Test Charge: \$ 50.00

Will be assessed when a customer requests the utility perform a test on the customer's meter to check for accuracy and the test shows the customer's meter is not more than two percent (2%) fast. The utility will perform such test on any meter upon written request of any customer if the request is not made more than once every twelve (12) months.


DATE OF ISSUE November 5, 2012
MONTH / DATE / YEAR

DATE EFFECTIVE December 10, 2012
MONTH / DATE / YEAR

ISSUED BY Michael P. McPherson
SIGNATURE OF OFFICER

TITLE PRESIDENT

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE
 NO. _____ DATED _____

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH 
EFFECTIVE 12/10/2012 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR Areas of Rockcastle County/Jackson County
Served by Eastern Rockcastle Water Association

P.S.C. KY. NO. _____

_____ SHEET NO. _____

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Eastern Rockcastle Water Association
(Name of Utility)

SECTION 4: SPECIAL NON RECURRING CHARGES

Billing Related Charges:

1. Returned Check Charge \$30.00

Will be assessed when a customer's check is returned, either due to insufficient funds or other reason due to customer fault.

2. Late Payment Charge: 10% (T)

Will be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill. The late payment charge may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional late payment charges shall not be assessed on unpaid late payment charges. (T)
(T)

DATE OF ISSUE June 15, 2015
Month / Date / Year

DATE EFFECTIVE July 25, 2015
Month / Date / Year

ISSUED BY [Signature]
(Signature of Officer)

TITLE President

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH
<u>Brent Kirtley</u> EFFECTIVE
7/25/2015 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Witness: Linda Bridwell

- 6.** State the number of customers currently served by Kentucky American, and the rates that are charged to its customers. Provide a copy of the rate schedule.

Response:

As of November 1, 2017 Kentucky American had 130,756 active water customers and 1,130 active sewer customers. A copy of Kentucky American's rate schedule is attached.

KENTUCKY-AMERICAN WATER

COMPANY

P.S.C.Ky.No.6

Cover Sheet and Original Sheets:

Nos. 5, 7, 8, 14 through 19, 20.1, 21, 24.1, 26, 29
through 49, 58, 58.6, 59, 63, 64, and Appendix A;

First Revised Sheet Nos. 2, 4, 6, 9, 10, 11, 12, 13, 24,
25, 28, 51, 53.1, 54, 58.4, 61, 62, 65;

Second Revised Sheet Nos. 2, 22, 23, 50.3, 57, 58.3,
58.5;

Third Revised Sheet No. 27, 50.1, 50.2, 56, 58.1, 58.2;

Fourth Revised Sheet No. 55;

Fifth Revised Sheet Nos. 3.1, 20;

Sixth Revised Sheet No. 52.1;

Eighth Revised Sheet Nos. 28.1, 28.2;

Fourteenth Revised Sheet No. 3;

Sixteenth Revised Sheet No. 55.1;

Twenty-Eighth Revised Sheet No. 53;

Thirty-First Revised Sheet No. 52;

Thirty-Fourth Revised Sheet No. 50

KENTUCKY-AMERICAN WATER COMPANY
2300 RICHMOND ROAD, LEXINGTON, KENTUCKY
<http://www.amwater.com/kyaw>
FOR SERVICE IN KENTUCKY COUNTIES OF
BOURBON, CLARK, FAYETTE, GALLATIN, GRANT, HARRISON,
JESSAMINE, OWEN, SCOTT AND WOODFORD
FILED WITH THE PUBLIC SERVICE COMMISSION OF KENTUCKY

ISSUED: February 27, 2017
EFFECTIVE: March 29, 2017

ISSUED BY: /s/Nick O. Rowe
 Nick O. Rowe, President
 2300 Richmond Road, Lexington, KY 40502

KENTUCKY
PUBLIC SERVICE COMMISSION

Talina R. Mathews
 EXECUTIVE DIRECTOR

Talina R. Mathews

EFFECTIVE

3/29/2017

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

<u>Index</u>		<u>Sheet Number</u>
Territory Served		4
Rules and Regulations		5 to 49 incl.
<u>Rule Number</u>	<u>Title</u>	
1	Definitions Applicable to Rules and Regulations	5
2	Rules and Regulations Governing Rendering of Service	6
3	Applications for Water Service	7
4	Special Applications for Water Service	8
5	Water for Building or Construction Purposes	8
(T) 6	Application and Terms and Conditions for Private Fire Service	9
(T) 7	Terms and Conditions for New Private Fire Hydrant Service	11
(T) 8	Discontinuance of Water Service	13
9	Renewal of Water Service After Discontinuance	15
10	Turn-On Charge	16
11	Abatements and Refunds	16
12	Installation of Service Lines	16
13	Assignment of Services	19
14	Service Deposits	20
15	Customers Requiring Uninterrupted Supply	21
16	Intercepting and Storage Tanks	21
(T)	Signifies a change in text	

ISSUED: February 13, 2014

EFFECTIVE: March 15, 2014

ISSUED BY: /s/Cheryl D. Norton
Cheryl D. Norton
President
2300 Richmond Road, Lexington, KY 40502

KENTUCKY
PUBLIC SERVICE COMMISSION

JEFF R. DEROUEN
EXECUTIVE DIRECTOR

TARIFF BRANCH

Brent Kirtley

EFFECTIVE

3/15/2014

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Index (Cont'd)

<u>Rule Number</u>	<u>Title</u>	<u>Sheet Number</u>
17	Check Valves, Flush Valves and Vacuum Breakers	21
18	Plumbing Work Must Be Inspected by Company	22
19	Cross-Connections	22
20	Meters	24
21	Accuracy Requirements of Water Meters	25
22	Bill Adjustment	25
23	Terms and Conditions of Billing and of Payment	27
24	Ownership of Property	28
25	Extension of Mains	28
(T) 26	Main Extensions, New Subdivisions	32
27	Form of New Subdivision Extension Deposit Agreement for Off Site Facilities	38
(T) 28	Form of New Subdivision Extension Deposit Agreement for On Site Facilities	41
29	Public Fire Hydrants	47
30	Interruptions in Water Supply	47
(T) 31	Liability of Company	48
32	General	49
33	Approval of the Rules and Regulations	49

(T) Indicates change in text

ISSUED: November 14, 2013

ISSUED BY:

Cheryl D. Norton
Cheryl D. Norton, President

EFFECTIVE:

Brent Kirtley

2300 Richmond Road, Lexington, KY 40502

EFFECTIVE
7/27/2013

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

**KENTUCKY
PUBLIC SERVICE COMMISSION**

**JEFF R. DEROUEN
EXECUTIVE DIRECTOR**

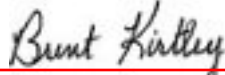
TARIFF BRANCH

Index (Cont'd.)

<u>Rule Number</u>	<u>Title</u>	<u>Sheet No.</u>
(D)		
Service Classification No. 1 -	Customers in the entire service Territory Of Kentucky American Water Company	50
	Reserve for future use	50.1
	Reserve for future use	50.2
	Reserve for future use	50.3
	Classification of Service	51
Service Classification No. 3 -	Private Fire Service	52
	Tapping Fees	52.1
Service Classification No. 4 -	Public and Private Fire Hydrants	53
	Public and Private Fire Hydrants (con't)	53.1
Service Classification No. 5 -	Building Construction Purposes	54

(D) signifies deletion

ISSUED: July 14, 2015
EFFECTIVE: August 13, 2015
ISSUED BY: /s/Cheryl D. Norton
 Cheryl D. Norton, President
 2300 Richmond Road, Lexington, KY 40502

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH

EFFECTIVE 8/13/2015
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

KENTUCKY-AMERICAN WATER COMPANY

P.S.C. Ky No. 6

Fifth Revised Sheet No. 3.1

Canceling Fourth Revised Sheet No. 3.1

Index (Cont'd.)

	Service Classification No.6 - Billing of License, Occupation, Franchise or Other Similar Charges or Taxes including School Taxes	55
(T)	Kentucky River Authority Withdrawal Fee	55.1
	Reconnection Charge	56
	Insufficient Funds Charge	57
	Service Line Inspection Fee	58
(D)	Former Tri-Village Water District	
(D)	Customer Specific Tariff Charges	58.1
(D)	Former Elk Lake Shores Subdivision	
(D)	Customer Specific Tariff Charges	58.2
	New Account Set-up – Activation Fee	58.3
	Reserve for future use	58.4
	Reserve for future use	58.5
	Late Payment Fee	58.6
	Computerized Loading Stations	59
	Reserved for future use	60
(T)	Reserve for Future Use (previously deleted)	61
(T)	Reserve for Future Use (previously deleted)	62
	Partial Payment Plans	63
	Blank Sheet	64
	Hidden Leak Adjustment	65

(D) Indicates deletion
(T) Indicates change in text

ISSUED: August 29, 2016

EFFECTIVE: August 28, 2016

ISSUED BY: /s/Nick O. Rowe

Nick O. Rowe, President

2300 Richmond Road, Lexington, KY 40502

Issued by authority of an Order of the Public Service Commission in Case No. 2015-00418 dated August 23, 2016.

**KENTUCKY
PUBLIC SERVICE COMMISSION**

**Talina R. Mathews
EXECUTIVE DIRECTOR**

Talina R. Mathews

EFFECTIVE

8/28/2016

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

CLASSIFICATION OF SERVICE
SERVICE CLASSIFICATION NO. 1

Applicable

Applicable to the entire Service Territory of Kentucky-American Water Company.

Availability of Service

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

Meter Rates

The following shall be the rates for consumption, in addition to the service charges provided for herein;

Customer Category	Rate Per 1,000 Gallons		Rate Per 100 Gallons		Rate Per 100 Cubic Feet	
	<u>All consumption</u>		<u>All Consumption</u>		<u>All Consumption</u>	
Residential	\$6.0190	(I)	\$0.6019	(I)	\$3.9647	(D)
Commercial	5.0952	(I)	0.5095	(I)	3.6113	(D)
Industrial	4.3087	(I)	0.4309	(I)	2.9132	(D)
Municipal & Other						
Public Authority	4.6034	(I)	0.4603	(I)	3.1754	(D)
Sales for Resale	4.3255	(I)	0.4326	(I)	3.1486	(D)

Service Charges

All metered general water service customers shall pay a service charge based on the size of meter installed. The service charge will not entitle the customer to any water.

Size of Meter	<u>Residential Service Charge Per Month</u>	(N)	<u>All Other Classes Service Charge Per Month</u>	(N)
5/8"	\$12.49		\$ 13.63	(I)
3/4"	18.74		20.46	(I)
1"	31.23		34.07	(I)
1-1/2"	62.45		68.17	(I)
2"	99.92		109.04	(I)
3"	187.35		204.47	(I)
4"	312.25		340.77	(I)
6"	624.50		681.50	(I)
8"	999.20		1,090.40	(I)

- (N) Indicates New Rate or Requirement
- (I) Indicates Increase
- (D) Indicates Deletion (removal of a rate per 100 Cubic Feet)

ISSUED: August 29, 2016

EFFECTIVE: August 28, 2016

ISSUED BY: /s/ Nick O. Rowe
 Nick O. Rowe, President
 2300 Richmond Road, Lexington, KY 40502

Issued by authority of an Order of the Public Service Commission in Case No.2015-00418 dated August 23, 2016.

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Talina R. Mathews
EXECUTIVE DIRECTOR

Talina R. Mathews

EFFECTIVE
8/28/2016
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

KENTUCKY-AMERICAN WATER COMPANY

P.S.C. Ky No. 6

First Revised Sheet No. 51

Canceling Original Sheet No. 51

CLASSIFICATION OF SERVICE

(N)

(N) **Residential** - Sales to single premise residences, or to multiple premises residences where each premises is served through a single meter. Sprinkler services added to existing premises coded as residential would also be coded as residential. For premises served through a single meter with multiple owners, where usage is primarily for residential purposes, and the water is billed to a homeowner association such as a condominium complex they will be classified as residential and charged the residential rate.

(N) **Commercial** - Sales to multiple premises residences served through a single meter or battery of meters. This would include two (or more) family houses and apartment houses. Sales to private schools, colleges, hospitals, churches and other private educational, cultural, social or religious organizations. Sales to business or manufacturing establishments where the water is not used principally in manufacturing or processing function. This would include commercial offices of public utilities. Examples under this category are: stores, laundries, cleaners, shoe repair and other service establishments, garages and service stations, office buildings, sales offices of manufacturing or processing establishments, retail florists, theaters, bowling alleys, swim clubs, golf courses, manufacturing or processing establishment where water is used principally for sanitary purposes, barber shops. Water used for irrigation for agricultural purposes would normally be coded as commercial. Sprinkler services added to existing premises coded as commercial or industrial would also be coded as commercial.

(N) **Industrial** - Sales to manufacturing or processing establishments where the water is used principally in manufacturing or processing function. This would include public or private utility plants using water for steam generation, power production, etc..

(N) **Public Fire Hydrant** - All public fire hydrants contracted for or ordered by Urban County, County, State or Federal Agencies or Institutions. These must be located on or immediately adjacent to public right-of-way.

(N) **Private Fire Hydrant** - All hydrants contracted for or by private entities on private property for the use of that entity or on private right-of-way. Also for public agencies for hydrants not located on public right-of-way.

(N) **Private Fire Service** - All private and public fire protection service lines with hose connections or sprinkler systems charged by line size.

(N) **Other Public Authority or "OPA"** - Sales to municipal, county, state or federal agencies (other than sales of water for resale). Examples under this category are: city buildings, public schools, public housing developments, libraries and hospitals, fire stations, county, state and federal buildings and agencies.

(N) **Sales for Resale or "Resale"** - Sales to private or public water utilities where the water is to be resold to customers of the utilities.

(N) Indicates New Test/Requirement (Definitions)

ISSUED: November 14, 2013

ISSUED BY: Cheryl D. Norton
Cheryl D. Norton, President

KENTUCKY PUBLIC SERVICE COMMISSION	
JEFF R. DEROUEN EFFECTIVE July 27, 2013	
TARIFF BRANCH	2300 Richmond Street, KY 40502
<i>Brent Kirtley</i>	
EFFECTIVE 7/27/2013 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)	

KENTUCKY-AMERICAN WATER COMPANY

P.S.C. Ky. No. 6

Thirty-First Revised Sheet No. 52

Canceling Thirtieth Sheet No. 52

CLASSIFICATION OF SERVICE
SERVICE CLASSIFICATION NO. 3

Applicable

Applicable to the entire Service Territory of Kentucky-American Water Company.

Availability of Service

Available for municipal or private fire connections used exclusively for fire protection purposes.

Rates

	<u>Size of Service</u>	<u>Rate Per</u> <u>Month</u>	<u>Rate Per</u> <u>Annum</u>
(I)	2" Diameter	\$ 9.13	\$ 109.56
(I)	4" Diameter	36.76	441.12
(I)	6" Diameter	82.68	992.16
(I)	8" Diameter	146.98	1,763.76
(I)	10" Diameter	229.72	2,756.64
(I)	12" Diameter	331.26	3,975.12
(I)	14" Diameter	450.45	5,405.40
(I)	16" Diameter	588.21	7,058.52

Special Provisions

No charge shall be made for water used in extinguishing accidental fires or for Underwriters' tests, and water shall not be drawn from a private fire service connection for any other purpose.

Fire service connections are furnished for the sole purpose of supplying water for the extinguishment of fires. If the Company has reason to believe water is being used for other purposes, including that the connection or line is leaking, the Company may install a meter to monitor usage, and, in addition to the rates for fire protection listed above, all usage shall be billed at the Commercial rate in Service Classification No. 1. The applicable Service Charge listed in Service Classification No. 1 shall also be charged.

The charges under this provision are in addition to any general water service charges.

(I) Indicates increase

ISSUED: August 29, 2016

EFFECTIVE: August 28, 2016

ISSUED BY: /s/Nick O. Rowe
Nick O. Rowe, President

2300 Richmond Road, Lexington, KY 40502

Issued by authority of an Order of the Public Service Commission in Case No. 2015-00418 dated August 23, 2016.

KENTUCKY
PUBLIC SERVICE COMMISSION

Talina R. Mathews
EXECUTIVE DIRECTOR

Talina R. Mathews

EFFECTIVE

8/28/2016

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

KENTUCKY-AMERICAN WATER COMPANY

P.S.C. Ky No. 6

Sixth Revised Sheet No. 52.1

Canceling Fifth Revised Sheet 52.1

TAPPING FEES**Applicable**

Applicable to the entire Service Territory of Kentucky-American Water Company.

Availability of Service

Available for residential, commercial, industrial, other public authority and sales for resale customers.

Tapping (Connection) Fees**Size of Meter Connected**

(I)	5/8-Inch	\$1,280.00
(I)	1-Inch	2,201.00
(I)	2-Inch	4,238.00
	Service larger than 2"	Actual Cost

For services greater than 2", a cost-adjustable deposit is required upon application. The tapping fee will be required upon application for all services installed on or after the effective date of this tariff, except in cases where a complete application for service (including plumbing inspection) is on file with the Company prior to the effective date of this tariff.

(I) Indicates Increase

ISSUED: August 29, 2016

EFFECTIVE: August 28, 2016

ISSUED BY: /s/Nick O. Rowe

Nick O. Rowe, President

2300 Richmond Road, Lexington, KY 40502

Issued by authority of an Order of the Public Service Commission in Case No. 2015-00418 dated August 23, 2016.

**KENTUCKY
PUBLIC SERVICE COMMISSION**

**Talina R. Mathews
EXECUTIVE DIRECTOR**

Talina R. Mathews

EFFECTIVE

8/28/2016

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

KENTUCKY-AMERICAN WATER COMPANY

P.S.C. Ky No. 6

Twenty-Eighth Revised Sheet No. 53

Canceling Twenty-Seventh Revised Sheet No. 53

CLASSIFICATION OF SERVICE
SERVICE CLASSIFICATION NO. 4

Applicable

Applicable to the entire Service Territory of Kentucky-American Water Company.

Availability of Service

Available for municipal or private fire connections used exclusively for fire protection purposes.

Rates for Public Fire Service

	<u>Rate Per Month</u>	<u>Rate Per Annum</u>
(I) For each public fire hydrant contracted for or ordered by Urban County, County, State or Federal Governmental Agencies or Institutions.	\$44.68	\$536.16

Rates for Private Service

For each private fire hydrant contracted for by Industries or Private Institutions.

\$79.77

\$957.24

Fire service connections are furnished for the sole purpose of supplying water for the extinguishment of fires. If the Company has reason to believe water is being used for other purposes, including that the connection or line is leaking, the Company may install a meter to monitor usage, and, in addition, to the rates for fire protection listed above, all usage shall be billed at the Commercial rate in Service Classification No. 1. The applicable Service Charge listed In Service Classification No. 1 shall also be charged.

The charges under this provision are in addition to any general water service charges.

Special Provisions

A few hydrants are connected to mains by a "special connection." A "special connection" exists when a customer and the Company entered into a service contract in which the customer agreed to maintain an unmetered water line from a Company main to the customer's service line. If the Company has reason to believe water from a special connection is being used for purposes other than fire protection, including that the connection or line is leaking, the Company may install a meter and charge for usage under this tariff. The Company may require the customer to pay for

(I) Indicates increase

ISSUED: August 29, 2016**EFFECTIVE:** August 28, 2016**ISSUED BY:** /s/Nick O. Rowe
Nick O. Rowe, President

2300 Richmond Road, Lexington, KY 40502

*Issued by authority of an Order of the Public Service Commission in Case No. 2015-00418 dated August 23, 2016.***KENTUCKY
PUBLIC SERVICE COMMISSION****Talina R. Mathews
EXECUTIVE DIRECTOR***Talina R. Mathews*

EFFECTIVE

8/28/2016

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

KENTUCKY-AMERICAN WATER COMPANY

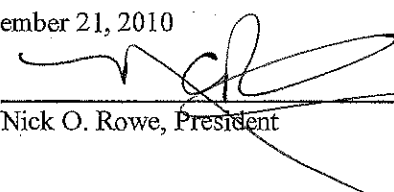
P.S.C. Ky No. 6
First Revised Sheet No. 53.1
Canceling Original Sheet No. 53.1

CLASSIFICATION OF SERVICE
SERVICE CLASSIFICATION NO. 4 (con't)

the meter and its installation if:

- (1) the Company gives the customer written notice of the usage problem, requests that the customer correct the problem, and informs the customer that failure to correct the problem within 90 days could result in liability of the customer for the cost of installing a meter to monitor usage,
- (2) the customer does not substantially correct the problem within 90 days of the written notice, and,
- (3) the Company thereafter gives three business days' notice, which shall include a cost estimate, that it will install the meter at the customer's expense.

ISSUED: December 21, 2010

ISSUED BY: 
Nick O. Rowe, President

2300 Richmond R

**KENTUCKY
PUBLIC SERVICE COMMISSION**

JEFF R. DEROUEN
EXECUTIVE DIRECTOR
EFFECTIVE: September 29, 2010

TARIFF BRANCH

 40502

EFFECTIVE

9/29/2010

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

KENTUCKY-AMERICAN WATER COMPANY

P.S.C. KY NO. 6

First Revised Sheet No. 54

Canceling Original Sheet No. 54

CLASSIFICATION OF SERVICE
SERVICE CLASSIFICATION NO. 6

APPLICABLE

- (T) Applicable to the entire Service Territory of Kentucky-American Water Company.

AVAILABILITY OF SERVICE

- (T) Available for Water Used for Construction, Street Washing, Pool Filling, and Similar Purposes.

RATES

- (T) Where a meter is installed on a fire hydrant or on a temporary service connection for construction, street washing, pool filling, and similar purposes, the minimum payment for water shall be the monthly service charge for general water service, payable in advance based upon the size of the meter installed. If more than one fire hydrant or temporary service connection is used, the service charge is to apply to each such hydrant or temporary service connection so used.

The Company may require an application to be signed and either the service charge paid in advance or, at the option of the Company, a meter deposit made, and the account handled in the same manner as any other metered account. This service charge will not entitle the Customer to any water and all water used shall be billed at the meter rate schedule. In addition to such charges the Customer shall pay all reasonable costs incurred in connection with the installation and removal of the meter.

(T) Indicates Text Change

ISSUED: July 17, 2009

ISSUED BY: 
Nick O. Rowe, President

EFFECTIVE: August 17, 2009

2300 Richmond Road, Lexington, KY 40502
Address

**PUBLIC SERVICE COMMISSION
OF KENTUCKY**

**EFFECTIVE
8/17/2009**

**PURSUANT TO 807 KAR 5:011
SECTION 9 (1)**

By 
Executive Director

KENTUCKY-AMERICAN WATER COMPANY

P.S.C. KY NO. 6

Fourth Revised Sheet No. 55

Cancelling Third Sheet No. 55

CLASSIFICATION OF SERVICESERVICE CLASSIFICATION NO. 6(T) BILLING OF LICENSE, OCCUPATION, FRANCHISE OR OTHER SIMILAR CHARGES OR TAXES INCLUDING SCHOOL TAXAPPLICABLE

Applicable to all customers in the City of Lexington, Fayette County, Kentucky and contiguous territory thereto.

AVAILABILITY OF SERVICE

Available for Residential, Commercial, Industrial, Public Service and Sales for Resale customers.

RATES

There shall be added to the Customer's bill, as a separate item, an amount equal to the proportionate part of any license, occupation, franchise, fee or other similar fee, charge or tax now or hereafter imposed upon the Company by local taxing authorities or the Kentucky River Authority, whether imposed by ordinance, franchise, statute or otherwise, and which fee, tax or charge is based upon Kentucky River water usage or a percentage of the gross receipts, net receipts, or revenues from sales of water or services rendered by the Company to the customer. Where more than one such charge, fee or tax is imposed, the total of such charges, fees or taxes applicable to a Customer may be billed to the customer as a single amount. Charges, fees or taxes herein referred to shall in all instances be billed to customers on the basis of Company rates or usage effective at the time of billing, and on the basis of the tax rate of usage effective at the time billing is made.

- (T) There shall be added to the Customer's bill, as a separate item, an amount equal to the proportionate
 (T) amount of school tax in any county requiring a utility gross receipts license tax for schools under
 (T) KRS 160.613.

There shall also be added to the Customer's bill, as a separate item, any fee, tax or charge imposed upon the customer by a municipality or governmental agency, the purpose of which is to allocate among those customers identified by ordinance, franchise, statute, or otherwise, the cost of fire hydrants imposed upon the municipality or governmental agency. Failure to pay this charge shall not constitute grounds for termination of service.

- (T) Indicates change in text

ISSUED: August 29, 2016

EFFECTIVE: August 28, 2016

ISSUED BY: /s/Nick O. Rowe

Nick O. Rowe, President

2300 Richmond Road, Lexington, KY 40502

Issued by authority of an Order of the Public Service Commission in Case No. 2015-00418 dated August 23, 2016.

**KENTUCKY
PUBLIC SERVICE COMMISSION**

**Talina R. Mathews
EXECUTIVE DIRECTOR**

Talina R. Mathews

EFFECTIVE

8/28/2016

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

CLASSIFICATION OF SERVICE
SERVICE CLASSIFICATION NO. 6

APPLICABLE

Applicable to the entire Service Territory of Kentucky-American Water Company.

AVAILABILITY OF SERVICE

Available for Residential, Commercial, Industrial, Other Public Authority and Sales for Resale customers.

RATES

- (T) Kentucky-American Water Company in accordance with the tariff shown in Fourth Revised
- (D) Sheet 55 shall charge a rate of \$0.0160 per 100 gallons.

Except for rate changes imposed by the Kentucky River Authority, which will be put in effect immediately upon notification of such change by the Kentucky River Authority, this fee will be adjusted annually beginning January, 2002 to reflect any over or under collection of Kentucky River Authority fees existing at the time of the adjustment.

- (D) Indicates Decrease
- (T) Indicates Text Change

ISSUED: February 27, 2017

EFFECTIVE: March 29, 2017

ISSUED BY: /s/ Nick O. Rowe
Nick O. Rowe
President
2300 Richmond Road, Lexington, KY 40502

KENTUCKY PUBLIC SERVICE COMMISSION
Talina R. Mathews EXECUTIVE DIRECTOR
<i>Talina R. Mathews</i>
EFFECTIVE 3/29/2017 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

KENTUCKY-AMERICAN WATER COMPANY

P.S.C. Ky No. 6

Third Revised Sheet No. 56

Canceling Second Revised Sheet No. 56

RECONNECTION CHARGE

(N) **Applicable**

(N) Applicable to the entire Service Territory of Kentucky-American Water Company.

(N) **Availability of Service**

(N) Available for all customers

When it is necessary to discontinue water service to any premises because of a violation of the Company's Rules and Regulations on account of nonpayments of any bill for water service, a charge of

(I) Fifty-six Dollars (\$56.00) will be made to cover the expense of turning on the water service.

(I) Indicates Increase

(N) Indicates new text

ISSUED: November 14, 2013

ISSUED BY: Cheryl D. Norton

Cheryl D. Norton, President

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH EFFECTIVE 7/27/2013 <i>Brent Kirtley</i> 2300 Richmond Street, KY 40502 EFFECTIVE
7/27/2013 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

KENTUCKY-AMERICAN WATER COMPANY

P.S.C. KY NO. 6

Second Revised Sheet No. 57

Cancelling First Revised Sheet No. 57

(T) **INSUFFICIENT FUNDS CHARGE**

(T) In those instances where a customer renders payment to the Company by check or electronic funds transfer which is not honored upon deposit by the Company, the customer will be charged (\$12.00) to cover the processing costs.

(T) Indicates change in text

ISSUED: November 14, 2013

ISSUED BY: Cheryl D. Norton
Cheryl D. Norton, President

EFFECTIVE: July 27 2013

2300 Richmond Road
Address

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH
EFFECTIVE
7/27/2013
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

KENTUCKY-AMERICAN WATER COMPANY

P.S.C. No. 6
Original Sheet No. 58INSPECTION OF SERVICE LINE

APPLICABLE: Applicable to the entire service territory of Kentucky-American Water Company where neither the Kentucky Department of Housing, Building and Construction or local government conducts an inspection of service lines comparable to that required of water utilities by 807 KAR 5:066 Section 10 (3).

AVAILABILITY OF SERVICE:

Inspection of service lines is available to all customers of Kentucky-American Water Company where neither the Kentucky Department of Housing, Building and Construction or local government conducts an inspection of service lines comparable to that required of water utilities by 807 KAR 5:066 Section 10 (3). The customer shall leave the trench open and the service line uncovered. The service line must be determined to be free from any tee, branch connection, irregularity or defect before service will be initiated.

RATE: The customer shall be charged \$25.00 for each inspection of a service line.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

OCT 30 1988

PURSUANT TO KAR 5:011,
SECTION 5 (1)

BY: *[Signature]*
PUBLIC SERVICE COMMISSION MANAGER

Issued: September 30, 1988

Effective: October 30, 1988

Issued By: *R. A. Edens*, Vice President
Kentucky-American Water Company

KENTUCKY-AMERICAN WATER COMPANY

P.S.C. Ky No. 6

Second Revised Sheet No. 58.3

Canceling First Revised Sheet No. 58.3

NEW ACCOUNT SET UP

ACTIVATION FEE

Applicable

Applicable to all customers who request a new account or a change in ownership of an existing account.

Availability of Service

Available for all customers.

Rate

- (I) An activation fee of Twenty-eight (\$28.00) Dollars shall be charged to set up a new account or change an existing account. The activation fee covers the cost of meter reading and record change.

(I) Indicates Increase

ISSUED: November 14, 2013

ISSUED BY:

Cheryl D. Norton
 Cheryl D. Norton, President

EFFECTIVE: July 27, 2013

2300 Richmond *Brent Kirtley*, KY 40502

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEBOEN EXECUTIVE DIRECTOR
EFFECTIVE 7/27/2013 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

KENTUCKY-AMERICAN WATER COMPANY

P.S.C. KY NO. 6
Original Sheet No. 58.6

LATE PAYMENT FEE

APPLICABLE

(N) Applicable to the entire Service Territory of Kentucky-American Water Company.

AVAILABILITY OF SERVICE

(N) Available for all customers.

RATES

(N) Kentucky American Water Company shall charge a 5% late fee on all charges that are paid after the due date on the bill. The late payment fee is 5% calculated upon all amounts owed with the exception of any amounts Kentucky-American Water Company collects pursuant to a third-party billing services contract, or on previously assessed late payment fees or other penalty charges. The late payment charge will only be assessed once on any bill for rendered services. Customers who receive a pledge for or notice of low income water assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received.

(N) New

ISSUED: November 2, 2012

ISSUED BY: Cheryl D. Norton
Cheryl D. Norton
President

2300 Richmond Road, Lexington, KY 40502
Address

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH
EFFECTIVE <u>Brent Kirtley</u> 012
EFFECTIVE 11/1/2012
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Kentucky-American Water Company

P.S.C. KY. No. 6
Original Sheet No. 59

(N) BULK SALES OF WATER THROUGH COMPUTERIZED LOADING STATIONS

Availability of Service

This service is available at the following locations: 1) Intersection of Tates Creek Road and Jonestown Lane; 2) On Higbee Mill Road, west of Clays Mill Road; 3) Old Frankfort Pike at New Circle Road; 4) Intersection of Richmond Road and Cleveland Road at Fire Station #18; or 5) At other locations where loading stations may be required in the future.

Rate

The following rates and charges are prescribed for the customers in the area served by Kentucky-American Water Company.

Bulk Sales Rate \$.225 per 50 gallons

Terms and Conditions of Service

Service taken under this tariff must be prepaid by the customer by inserting the correct change into the vending machine provided or arrangements can be made whereby a customer can be assigned a code number to be input into a keypad each time water is taken. When a code number is assigned, the customer will be billed monthly.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

NOV 5 1990

(N) INDICATES NEW TARIFF

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: George LeBeau
PUBLIC SERVICE COMMISSION MANAGER

Issued: November 19, 1990 Effective: November 5, 1990

Issued By: R. A. Edens, R.A. Edens, Vice President
2300 Richmond Road, Lexington, Kentucky

Issued by authority of an Order of the Public Service Commission
in Case No. 90-149, dated November 5, 1990.

KENTUCKY-AMERICAN WATER COMPANY

P.S.C. Ky. No. 6
Original Sheet No. 63

PARTIAL PAYMENT PLANS

(N) A partial payment plan may be negotiated in writing or by phone. The plan will be in the form shown below. If negotiated by phone, on the line for customer's signature, the words "by phone" will be written along with the customer's name and date. A copy will be given to or mailed to the customer. Any outstanding balance must be paid before the next bill is issued.

(N) Account Number _____

Date _____

Address _____

_____ owes Kentucky-American Water Company a bill for water service in the amount of \$_____, which covers the period from _____ to _____, and agrees to pay this bill in full before _____ and further agrees to make the following payments:

Date	Amount
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(N) If payment is not made on the specified date, the water service will be disconnected immediately. In the event service is disconnected, the unpaid balance and a reconnection fee must be paid before service is restored. If more than two extensions for payment are granted in a two-year period, a deposit will be required equal to one and one-third times the estimated average quarterly water bill or two times the estimated average monthly water bill.

Customer's Signature

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Kentucky-American Water Company

(N) Indicates New Tariff

JAN 13 1994

PURSUANT TO 807 KAR 5:011.

Issued: December 10, 1993

Effective: January 1, 1994

SECTION 9 (1)

Issued By: _____

R. A. Edens

R. A. Edens, Vice President

BY: _____
PUBLIC SERVICE COMMISSION MANAGER

2300 Richmond Road, Lexington, Kentucky

KENTUCKY-AMERICAN WATER COMPANY

P.S.C. No. 6

First Revised Sheet No. 65

Cancelling Original Sheet 65

SERVICE CLASSIFICATION NO. 6
HIDDEN LEAK ADJUSTMENT RATE

Applicable

Applicable to all customers in the City of Lexington, Fayette County, Kentucky, and contiguous territory thereto.

Availability of Service

Available for Residential and Commercial customers.

Rates

(N) (I) A charge of twenty-five (25) percent of the applicable tariff will be applied to all water usage determined to be the result of a hidden underground leak.

Terms and Conditions

A hidden underground leak is defined as a leak in the customer service line between the meter and the premises. Hidden underground leak adjustments will be granted to residential and commercial customers. The customer must provide a plumber's statement or list of materials showing that the leak has been repaired. After verification of repairs by the Water Company, the bill will be adjusted by comparing the usage during the leak billing period to the average usage for the past six billing periods. A reasonable estimate will be used in cases when six prior periods of information do not exist. The excess usage will be billed at the rate specified above. During the lifetime of a water service line only two leak adjustments will be permitted. Each adjustment may cover a maximum of two billing periods. Before a third adjustment can be considered, the entire water service line from the meter box to the premises must be replaced. Plastic pipe for repair of underground water service lines must be certified to withstand a working pressure of 160 pounds per square inch or greater.

(N) INDICATES NEW RATE AND NEW TEXT

(I) INDICATES INCREASE

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 11 1996

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

S:\WPFILES\KENTUCKY\95-554\TARIFFS\PROP95.RAT

Issued: September 23, 1996

Effective: September 11, 1996

Issued By:

Robert J. Gallo
Robert J. Gallo, President

2300 Richmond Road, Lexington, KY 40502
Address

A) Issued by authority of an Order of the Public Service Commission, Case No. 95-554, dated September 13, 1996.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Witness: Linda C. Bridwell

7. State the rates that will be charged to current Eastern Rockcastle customers upon completion of the transfer to Kentucky American, and provide a rate schedule.

Response:

As set forth in the Joint Application, KAW proposes to adopt the rates for water usage that are currently authorized for Eastern Rockcastle by the Commission upon completion of the transfer to KAW. KAW proposes to apply all of its other fees and charges as currently authorized by the Commission upon completion of the transfer of control. KAW would not apply the Kentucky River Authority fee to the Eastern Rockcastle customers. Please refer to the attached proposed tariff sheet.

KENTUCKY-AMERICAN WATER COMPANY

P.S.C. Ky No. 6

Fourth Revised Sheet No. 50.1

Canceling Third Revised Sheet No. 50.1

(N)

CLASSIFICATION OF SERVICE

(N)

SERVICE CLASSIFICATION NO. 1

(N)

Applicable

(N)

Applicable to Kentucky-American Water Company customers in Eastern Rockcastle County.

(N)

Availability of Service

(N)

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

(N)

Authority metered service.

(N)

Meter Rates and Service Charges

(N)

The following shall be the rates for consumption. The Minimum Bill, and each 1,000 gallons of

(N)

consumption beyond the minimum bill shall be:

(N)

Meter Size

(N)

Minimum

(N)

Bill

(N)

Volume included in

(N)

Minimum Bill

(N)

5/8"

\$28.28

2,000

\$11.53

(N)

3 / 4"

\$28.28

2,000

11.53

(N)

1"

\$62.87

5,000

11.53

(N)

2"

\$178.17

15,000

11.53

(N) Indicates new text

ISSUED: December 22, 2017

EFFECTIVE: January 31, 2018

ISSUED BY: /s/ Nick O. Rowe

Nick O. Rowe, President

2300 Richmond Road, Lexington, KY 40502

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Witness: Kevin Rogers / Russell W. Barron

- 8.** State how the Joint Applicants will provide notice of the transfer to the customers currently served by Eastern Rockcastle.

Response:

Kentucky American will send a direct mailing to customers of record approximately two weeks prior to and again at the time of the closing of the transaction.

Eastern Rockcastle will send a direct mailing to customers of record prior to the closing of the transaction.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Witness: Russell W. Barron

- 9.** Provide any current notice of violations issued by the Energy and Environment Cabinet (“EEC”) or the Kentucky Division of Water (“DOW”) to Eastern Rockcastle. Provide copies of each outstanding violation and state how the violations will be resolved.

Response:

Eastern Rockcastle has no outstanding violations with the EEC or DOW.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Witness: Kevin Rogers

- 10.** Provide any current notice of violations issued by the EEC or the DOW to Kentucky American. Provide copies of each outstanding violation and state how the violations will be resolved.

Response:

There is no current notice of violations issued by the EEC or the DOW to Kentucky American Water.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Witness: Kevin Rogers / Russell W. Barron

- 11.** Provide documentation of any communications between the Joint Applicants and the EEC or DOW regarding the Joint Application.

Response:

Kentucky American has no documentation of any communications that have taken place with the EEC or DOW regarding the Joint Application, including any informal conversations that may have taken place during meetings regarding other matters with the EEC or DOW.

There have been informal conversations between Rodney Trowbridge ERWA and Dave Messer DOW however, they were not documented.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Witness: Russell Barron

- 12.** Provide a copy of Eastern Rockcastle's most current balance sheet and income statement for a period ending not more than 90 days prior to the application date.

Response:

Please see attached.

10:03 AM

EASTERN ROCKCASTLE WATER ASSOC

Profit & Loss

January through September 2017

10/27/17

Accrual Basis

	Jan - Sep 17
Ordinary Income/Expense	
Income	
Residential Water Sales (461.1)	222,158.06
Water Revenue (474)	
Credit/Debit Conv Fee Income	2,169.29
Deposits (474.2)	200.00
Late Charges (474.6)	4,938.82
Meter Reading Fees (474.4)	1,284.60
Miscellaneous Income (474.6)	152.00
New Services (474.1)	4,375.00
Reconnection Fees (474.3)	2,027.17
Returned Check Fees (474.5)	81.00
School Tax (474.7)	6,640.26
State Tax (474.9)	3.49
Total Water Revenue (474)	21,871.63
Total Income	244,029.69
Gross Profit	244,029.69
Expense	
BOARD MEETING EXPENSE	1,800.00
Operating Expenses (401)	
Contractual Services (630)	28,314.09
Credit/Debit Conv Fee Ex	1,761.60
Employee Pensions & Benefits	11,826.27
Insurance (655)	8,164.27
License & Permits	252.70
Materials & Supplies (620)	12,337.39
Miscellaneous Expenses (675)	663.21
Office Expenses (680)	
Postage Expense (postage)	2,971.64
Office Expenses (680) - Other	5,271.50
Total Office Expenses (680)	8,243.14
Payroll Tax Expenses (601) (Payroll expenses)	3,873.71
Purchased Water (610)	82,354.04
Rents (640)	405.00
Repairs & Maintenance	15,399.20
Salaries and Wages (601)	44,738.75
Telephone/Utilities	7,186.22
Transportation Expenses (650)	4,834.02
Water Testing (635)	1,935.00
Total Operating Expenses (401)	232,288.61
Taxes (408)	7,229.10
Total Expense	241,317.71
Net Ordinary Income	2,711.98
Other Income/Expense	
Other Income	
Interest Income (419)	156.26
Other Income	1,326.60
Total Other Income	1,482.86
Other Expense	
Interest Expense (427)	653.25
Total Other Expense	653.25
Net Other Income	829.61
Net Income	3,541.59

10:04 AM

EASTERN ROCKCASTLE WATER ASSOC

10/27/17

Balance Sheet

Accrual Basis

As of September 30, 2017

	Sep 30, 17
ASSETS	
Current Assets	
Checking/Savings	
Certificate of Deposit (Citizen's CD)	79,583.48
General Fund (Community Trust)	4,534.07
Operations & Maintenance (Community Trust)	642.29
Payroll Account (Citizens)	16.42
Petty Cash	207.68
Reserve Account (Citizens Bank)	2,796.49
Total Checking/Savings	87,780.43
Accounts Receivable	
Accounts Receivable (Unpaid or unapplied customer invoices and credits)	18.39
Total Accounts Receivable	18.39
Other Current Assets	
Allowance for Uncollectible	-1,071.00
Customer Accounts Receivable	8,855.00
Inventory Asset (Costs of inventory purchased for resale)	3,728.00
Pre-paid Expenses (174)	2,790.00
Total Other Current Assets	14,302.00
Total Current Assets	102,100.82
Fixed Assets	
Accumulated Depreciation (108)	-601,658.00
Utility Plant (101)	
Land and Land Rights (303)	5,450.00
Office Furniture and Equipme	15,491.25
Other Plant and Misc. Equipmen	5,550.00
Services (333)	102,834.00
Transmission and Distribution	3,198,711.00
Transportation Equipment (341)	63,230.01
Water Treatment Equipment (32)	1,498.00
Utility Plant (101) - Other	-3,215.00
Total Utility Plant (101)	3,389,549.26
Total Fixed Assets	2,787,891.26
TOTAL ASSETS	2,889,992.08
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (Unpaid or unapplied vendor bills or credits)	56,272.00
Total Accounts Payable	56,272.00
Other Current Liabilities	
Accounts Payable (231)	5,251.00
Accrued Interest (237)	1,490.00
Accrued Taxes (236)	330.00
Customer Deposits (235)	19,261.98
Payroll Liabilities (Unpaid payroll liabilities. Amounts withheld or accrued, but not yet paid)	-1,033.80
Total Other Current Liabilities	25,299.18
Total Current Liabilities	81,571.18
Long Term Liabilities	
Note Payable - Citizens Bank	20,336.79
Notes Payables (224)	460,960.62
Total Long Term Liabilities	481,297.41

10:04 AM

EASTERN ROCKCASTLE WATER ASSOC

10/27/17

Balance Sheet

Accrual Basis

As of September 30, 2017

	Sep 30, 17
Total Liabilities	562,868.59
Equity	
Donated Capital (215.2)	2,493,697.00
Opening Balance Equity (Opening balances during setup post to this account. The balance of this accou...)	-323,578.93
Unrestricted Net Assets (Other Income)	153,463.83
Net Income	3,541.59
Total Equity	2,327,123.49
TOTAL LIABILITIES & EQUITY	2,889,992.08

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Witness: Linda C. Bridwell

- 13.** Using Eastern Rockcastle's balance sheet provided in response to Item 12, provide the journal entries that KAWC will record to reflect the acquisition of Eastern Rockcastle.

Response:

Based on information currently available, Kentucky American journal entries are:

Description	Debit Amount	Credit Amount
Land	5,450.00	
Utility Plant	3,523,550.00	
Accum Depr		1,379,549.00
CIAC		2,493,697.00
Accum CIAC Amortization	1,048,746.00	
Cash		700,000.00
Gain on Acquisition of Asset		4,500.00
Totals	<u>4,577,746.00</u>	<u>4,577,746.00</u>

These entries are based on 2016 audited financial reports. Please refer to the attached balance sheet from the 2016 audited financial reports.

EASTERN ROCKCASTLE WATER ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
December 31,

ASSETS	2016	2015
Current assets		
Cash	\$ 12,593	\$ 28,141
Customer accounts receivable, net	<u>25,478</u>	<u>30,204</u>
Total current assets	<u>38,071</u>	<u>58,345</u>
Investment		
Certificate of deposit	<u>89,429</u>	<u>89,205</u>
Capital assets		
Land	5,450	5,450
Utility plant	3,523,550	3,523,550
Less: accumulated depreciation	<u>(1,379,549)</u>	<u>(1,286,774)</u>
Total capital assets	<u>2,149,451</u>	<u>2,242,226</u>
Total assets	<u>\$ 2,276,951</u>	<u>\$ 2,389,776</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 40,287	\$ 16,560
Payroll taxes payable	1,065	2,323
Customer deposits	19,801	17,911
Current portion of notes payable	<u>93,344</u>	<u>96,036</u>
Total current liabilities	<u>154,497</u>	<u>132,830</u>
Noncurrent liabilities		
Notes payable	<u>677,503</u>	<u>699,597</u>
Total noncurrent liabilities	<u>677,503</u>	<u>699,597</u>
Total liabilities	<u>832,000</u>	<u>832,427</u>
NET ASSETS		
Unrestricted		
Customer contributions	2,493,697	2,493,697
Unappropriated (deficit)	<u>(1,048,746)</u>	<u>(936,348)</u>
Total net assets	<u>1,444,951</u>	<u>1,557,349</u>
Total liabilities and net assets	<u>\$ 2,276,951</u>	<u>\$ 2,389,776</u>

The accompanying notes are an integral
part of the financial statements.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Witness: Russell W. Barron

- 14.** Using Eastern Rockcastle's balance sheet provided in response to Item 12, provide the journal entries that Eastern Rockcastle will record to reflect the transfer of its assets to KAWC.

Response:

Based on information currently available, Eastern Rockcastle journal entries are:

Description	Debit Amount	Credit Amount
Cash		12,593.00
Investments		89,429.00
Account Receivables (Net)		25,478.00
Land		5,450.00
Utility Plant		3,523,550.00
Accumulated Depreciation	1,379,549.00	
Accounts Payable	40,287.00	
Customer Deposits	19,801.00	
Long-term Debt	770,847.00	
Customer Contributions	2,493,697.00	
Unappropriated (deficit)		1,048,746.00
Other Liabilities	1,065.00	
Total Net Assets and Fund Balance		
Totals	4,705,246.00	4,705,246.00

These entries are based on 2016 audited financial reports. Please refer to attachment for item #13 of this same data request.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Witness: Russell W. Barron

- 15.** Provide an analysis of Eastern Rockcastle's current and long-term debts, including the lender's name, the date the debt was incurred, the original amount of the indebtedness, and the amount outstanding as of the date of the balance sheet provided in the response to Item 12.

Response:

Loan balances are estimated as of September 1, 2017. The September 30, 2017 QuickBooks balance sheet shows loan balances reduced by the full principal and interest payments for the year. At the end of the year, the auditor makes the interest adjustment based on the statement from Rural Development.

Lender's name:	Rural Development
Date debt incurred:	07/14/1994
Original Amount of indebtedness:	\$254,600.00
Outstanding amount as of 09/2017:	\$166,372.00

Lender's name:	Rural Development
Date debt incurred:	02/11/1999
Original Amount of indebtedness:	\$500,000.00
Outstanding amount as of 09/2017:	\$377,333.00

Lender's name:	Rural Development
Date debt incurred:	02/11/1999
Original Amount of indebtedness:	\$204,000.00
Outstanding amount as of 09/2017:	\$154,004.00

Lender's name:	Citizens Bank
Date debt incurred:	01/11/2017
Original Amount of indebtedness:	\$21,250.42
Outstanding amount as of 09/2017:	\$21,593.63 (Estimated interest and principal)

Lender's name:	Citizens Bank
Date debt incurred:	01/11/2017
Original Amount of indebtedness:	\$49,629.86 *
Outstanding amount as of 09/2017:	\$50,520.48 (Estimated interest and principal)

* Not shown on balance sheet.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2017-00383
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Witness: Kevin N. Rogers/Linda C. Bridwell

- 16.** At page 3 of the Application, Joint Applicants state that KAWC's acquisition of Eastern Rockcastle is in the public interest. Provide a detailed discussion and documentation to support Joint Applicant's position.

Response:

Kentucky American Water's ("KAW") acquisition of Eastern Rockcastle is in the public interest because it will allow Eastern Rockcastle's customers to benefit from the services, efficiencies, and economies of scale that KAW can provide from both its larger customer base in Kentucky, and through being a part of American Water Works Company, Inc. In addition to these benefits to Eastern Rockcastle's customers, the proposed acquisition, if approved, will not affect the reliability or integrity of the high-quality water KAW's current customers receive.

KAW has a long history of providing safe, potable water service in Kentucky, as it was incorporated on February 27, 1882 and has provided continuous operations of its water system since that time. KAW presently has 130 employees that manage a system containing over 2017 miles of water main, 17,919 line valve, 7,921 hydrants to provide water to 130,756 water customers in eleven counties. KAW operates three water treatment plants and maintains 23 storage tanks. KAW employees are technical experts in engineering, construction, water quality, drinking water production and water distribution systems. KAW has been a long-time partner with the US EPA in the Partnership for Safe Water. As a subsidiary of American Water Works Company, Inc., KAW has access to both short-term and long-term debt at extremely cost efficient rates. KAW has access to capital for its operations as necessary. KAW has a robust cross-connection prevention program, a comprehensive leak detection program, utilizes technology platforms to improve operations and customer service, and demonstrates a culture of providing high quality water with excellent customer service while focusing on safety for its employees and the public. As has been explained in its application and data responses, KAW has the technical, financial and managerial resources to manage and operate the Eastern Rockcastle water system.

Eastern Rockcastle Water Association was incorporated on March 30, 1990. Eastern Rockcastle currently serves 608 active customers by purchasing water from other water providers. Because of its fewer customers and consequent smaller amount of revenues, Eastern Rockcastle has at times been challenged with sufficient cash flow to repair broken equipment and infrastructure.

KAW's acquisition of Eastern Rockcastle will allow the customers of Eastern Rockcastle access to all of the benefits of the economies of scale that being part of a larger water utility provides. This includes access to sufficient cash flow for repairing infrastructure and equipment, technical assistance on day-to-day operations, billing and payments, and access to technical expertise for operating challenges. Customers will also have access to online customer service and billing information, 24-hour emergency service contact, a network of technical experts and equipment inventory to assist in operational challenges. American Water has significant purchasing power for buying equipment and materials including pipe, meters and chemicals. With this acquisition, Eastern Rockcastle customers will now be able to realize those lower equipment and materials costs. Eastern Rockcastle customers will retain the oversight of the Kentucky Public Service Commission on their water provider operations. In recognition of these benefits, Eastern Rockcastle customers voted overwhelmingly to approve the acquisition. For these reasons and without providing additional documentation (other than the documentation contained in the Joint Applicants' other filings in this case), the acquisition is in the public interest.