

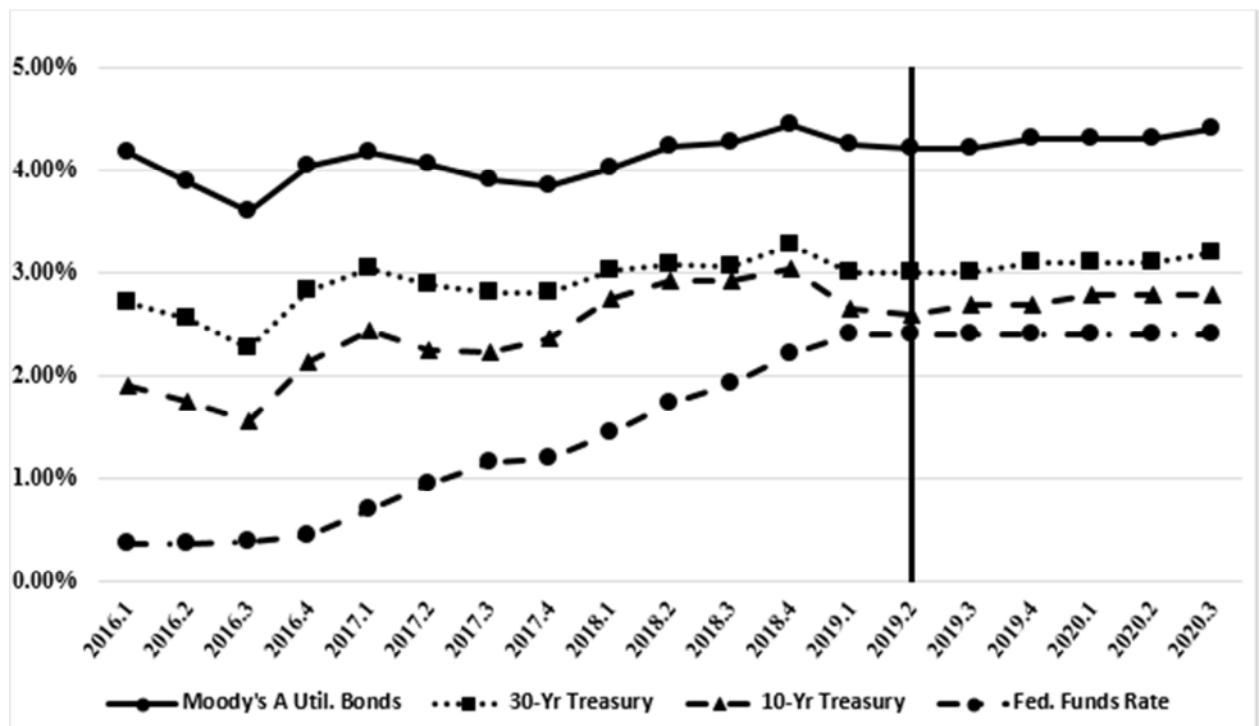
**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2018-00358**  
**ATTORNEY GENERAL POST HEARING REQUEST FOR INFORMATION**

**WITNESS: Ann E. Bulkley**

1. Refer to Ms. Bulkley's Direct Testimony, page 25. Provide an updated Figure 5 for the same time frame with any and all actual recent data available.

**Response:**

See below for the updated version of Figure 5 from page 25 of Ms. Bulkley's Direct Testimony, and see the attached workpaper.



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**WITNESS: James S. Pellock**

2. Refer to the Company's response to the Attorney General's Initial Data Requests, item96, page 4 of 4. For each vendor identified in the response as participating in "Legislative Advocacy," "Regulatory Advocacy," and/or "Public Relations," as those terms are understood in the context of the request and response, provide the total and individual amounts of test-year dues excluded from the forecast period for ratemaking purposes. Each such identification should provide the test-year level of dues forecasted, the amount excluded, and the basis for such exclusion. Further, explain and support the basis for the percentages supplied in the cited response.

**Response:**

Please see the attachment which provides the test year and forecast period amounts for each vendor identified as participating in "Legislative Advocacy", "Regulatory Advocacy" and/or "Public Relations". The basis for the percentages of "Covered Activities" comes directly from the vendor invoices. Please refer to the response provided for Attorney General's Second Request for Information, Item 49. The invoices provided for each vendor notes the lobbying percentage. The lobbying portion of the National Association of Water Companies (NAWC) costs were recorded to Lobbying Expense and excluded from the forecast period for ratemaking purposes. The lobbying portion of the Commerce Lexington, Greater Lexington Apartment Association and Kentucky Chamber of Commerce in the amount of \$3,453 was erroneously recorded to Company Dues/Memberships, and therefore should be removed from the forecast period.

**Kentucky-American Water Company  
Company Dues/Memberships**

Vendor	Test Year	Forecast Period	Covered Activities %
American Water Works Association - Company	9,466	9,899	0%
American Water Works Association - Individuals	2,600	2,719	0%
Commerce Lexington	6,032	6,308	5%
Frankfort Area Chamber of Commerce	865	905	
Greater Lexington Apartment Association	0	0	12.28%
Home Builders Association of Lexington	550	575	
Kentucky Association of Manufacturers	1,245	1,302	0%
Kentucky Chamber of Commerce	20,000	20,914	15%
Kentucky League of Cities	2,500	2,614	
Kentucky Rural Water Association	0	0	
National Association of Water Companies	51,141	53,475	16%
Water Environment Federation	0	0	0%
<b>Total</b>	<b>94,400</b>	<b>98,711</b>	

**Lobbying Portion charged to Account 52524000 -  
Co Dues/Membership:**

Commerce Lexington	302	315	5%
Greater Lexington Apartment Association	0	0	12.28%
Kentucky Chamber of Commerce	3,000	3,137	15%
	<b>3,302</b>	<b>3,453</b>	

**Lobbying Portion charged to Account 75840000 -  
Lobbying Expense:**

National Association of Water Companies	8,183	8,556	16%
	<b>8,183</b>	<b>8,556</b>	

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**WITNESS: James S. Pellock**

3. Refer to the base period update, updated Application Exhibit 37, Schedule G-2, page 3 of 10. Provide the Company's actual full-time employee level as of May 15, 2019. The method of determination of the actual employee level sought in this request should be the same as that used by the Company in calculating the actual base period year-end employee level (143) and the forecasted period year-end employee level (152) provided for in the referenced schedule.

**Response:**

The Company's actual full-time employee level as of May 15, 2019 is 138. See below breakdown of employee level by function.

Function	Active Employee Count
Production	41
Distribution	66
Commercial	8
Administrative & General	23
Total Company	138

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**WITNESS: Melissa L. Schwarzell / Brent E. O'Neill**

4. Refer to the rebuttal testimony of Brent O'Neill, pages 16–18, wherein he discusses the Company's current unaccounted-for water, and 807 KAR 5:066, Section 6(3). Refer further to the Company's response to the Attorney General's Supplemental Data Requests, item 39, wherein it provides the Company's forecasted test-period level of unaccounted-for water (19.37%). If the Commission does not grant the Company's request for an alternative level of unaccounted-for water loss and instead, consistent with the regulation, denies recovery of the cost to produce and purchase water in excess of the 15% threshold, provide the revenue requirement impact resulting from the denial. Any response shall include a narrative explanation of the calculation and determination of purchased and produced water costs, the calculation of unaccounted-for water, and any substantive judgment used in calculating the same. Further, provide all work papers in native format and all supporting documents used in formulating a response to this request.

**Response:**

If the Company's requested alternative level of unaccounted-for water is denied, the revenue requirement impact would be -\$315,743, as calculated on KAW\_R\_AGPHRD\_NUM004\_052419 Attachment.

The calculation was done by finding the difference between the above mentioned 19.37% and 15%. This 4.37% was then multiplied by the forecasted chemical expense and the forecasted fuel and power expense adjusted for the final order in the KU case 2018-00294. The resulting \$312,215 was then multiplied by the expense gross up rate 1.0113 to arrive at the total revenue requirement of \$315,743. Waste disposal and purchased water are not calculated based on system delivery and were therefore not included in the calculation.

Water delivered to our distribution system includes water that is produced and metered at each of our plants and all water that is metered and purchased from our suppliers. Water volumes that are sold are calculated based on metered usage that is billed to all of our customers each month and is summarized by customer class. This is considered "Sales". "Other Water Used" consists of volumes of water from information received from a variety of sources both internally and externally, including city and fire departments information regarding the amount used for fighting fires, information from internal field services personnel regarding the volume used for flushing of hydrants, estimates of usage for internal chlorine analyzers, and internal estimates used for meter testing, etc. The combination of Sales and Other Water Used is subtracted from the total water delivered to our system to calculate the total unaccounted for water loss.