KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2018-00358
COMMISSION STAFF POST HEARING REQUEST FOR INFORMATION

WITNESS: Melissa Schwarzell

1. Provide a copy of the proposed rates in Word format using the same layout as Appendix B filed on August 23, 2016, in Case No. 2015-00418. Omit the header, "Appendix B, Appendix to an Order of the Kentucky Public Service Commission . . ." and the paragraph that states, "The following rates and charges . . ."

Response:

See attached KAW_R_PSCPHDR_NUM001_052419_Attachment.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2018-00358
COMMISSION STAFF POST HEARING REQUEST FOR INFORMATION

WITNESS: Scott W. Rungren

2. Provide an updated projection of the short-term interest rate using the LIBOR one-month interest rate for May 15, 2019.

Response:

The one-month LIBOR rate from Bloomberg on May 15, 2019 was 2.432%. The estimated spread above that rate at which American Water Capital Corp. ("AWCC") would issue commercial paper is 0.318%, resulting in an all-in short-term debt cost of 2.750% for KAWC.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2018-00358
COMMISSION STAFF POST HEARING REQUEST FOR INFORMATION

WITNESS: Scott W. Rungren

3. Provide the actual interest rate for the $16 million of long-term debt when the debt is issued.

Response:

The actual interest rate for the $16 million debt issuance will be 4.15%. It will be evidenced by a promissory note issued by KAWC to American Water Capital Corp. ("AWCC") on, or shortly after, May 22, 2019, maturing on June 1, 2049.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2018-00358
COMMISSION STAFF POST HEARING REQUEST FOR INFORMATION

WITNESS: Scott W. Rungren

4. Provide a revised Exhibit 37, Schedule J, Cost of Capital Summary reflecting the revised short-term interest rate using the May 15, 2019 LIBOR one month interest rate and the actual interest rate for the $16 million long-term debt issuance authorized by the Commission in Case No. 2019-00083. The schedules should be in Excel format, with all formulas intact and cells unprotected.

Response:

Please see KAW_R_PSCPHDR_NUM004_052419_Attachment.

Please note that although all pages for Schedule J have been provided in the attached Excel file, only Schedules J-1, J-2 (page 1), J-3 (page 1), and J-4 (page 1) are impacted by the requested updates.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2018-00358
COMMISSION STAFF POST HEARING REQUEST FOR INFORMATION

WITNESS: Scott W. Rungren

5. Provide Kentucky-American's return on equity (ROE) for January, February, March, and April 2018.

Response:

KAWC's earned ROEs for January, February, March, and April 2018 are 10.97%, 10.95%, 10.89%, and 10.19% respectively as shown in the Company's response to KAW_R_PSCDR2_NUM092_012519. These ROEs are elevated by a sale of land assets in September 2017, which inflated 2017 ROEs overall by 200 basis points[1], and which continued to inflate ROEs until the following September.

If this request was intended to ask for KAWC's earned ROEs for the months of January, February, March, and April 2019, please refer to the table below. These ROEs are influenced by a different land sale in October 2018, which inflated ROEs for 2018 by approximately 75 basis points, and which continued to inflate ROEs. Additionally, note that that the Company will begin incurring a $4.1 million loss in July 2019 related to the TCJA credit implemented as part of Case No. 2018-00042.

The common equity balance used to compute each earned ROE is the average balance for the respective twelve-month period.

Month/Yr	KAWC Earned ROE
Jan-19	9.20%
Feb-19	8.72%
Mar-19	8.69%
Apr-19	8.99%

[1] The land sale in September 2017 increased the ROE from 8.9% to 10.94% in 2017. The land sale in October 2018 increased the ROE in 2018 from 8,82% to 9.58%. These figures are shown in the Company's April 15, 2019 supplemental response to AG 1-55 (unadjusted ROEs) and in the rebuttal testimony of Melissa Schwarzell, page 20 (ROEs adjusted for land sales).

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2018-00358
COMMISSION STAFF POST HEARING REQUEST FOR INFORMATION

WITNESS: Melissa L. Schwarzell

6. Provide a schedule with the calculation of the impact on revenue requirement for the adjustment to deferred maintenance related to two new projects, hydrotreaters number 9 and number 10. Include a calculation of the costs for each of the hydrotreater water tank painting projects and the Muddy Fork water tank painting projects. The schedule should be in Excel format, with all formulas intact and cells unprotected.

Response:

Please see KAW_R_PSCPHDR_NUM006_Attachment which provide the revenue requirement impact of the adjustment to deferred maintenance related to hydrotreators number 9 and 10 and the Muddy Fork water tank painting project. Please note that the total revenue requirement difference for the rate base portion of costs is slightly lower than that shown on the cover sheet of the base period update ($121k instead of $159k). This is because associated deferred taxes and working capital are shown in the calculation of the tank painting impact in this DR. In contrast, in the base period update cover sheet, all changes to deferred taxes and working capital are shown in lump sums, rather than by driver.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2018-00358
COMMISSION STAFF POST HEARING REQUEST FOR INFORMATION

WITNESS: Melissa L. Schwarzell

7. Provide a revised Schedule M Billing Analysis based upon the revised revenue requirement set forth in the base period update filed on April 15, 2019.

Response:

Please see KAW_R_PSCPHDR_NUM007_052419_Attachment.

Kentucky American Water Company
Forecast Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
ALL CUSTOMERS

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-2
Support\Schedule M\[KAWC 2018 Rate Case - Revenue.xlsx]Sch M

		Base Period at Present Rates		Base Period at Proposed Rates		Test Year at Present Rates		Test Year at Proposed Rates			
Line #	Class/ Description	Sales ('000 Gal)	Total Revenue	Sales ('000 Gal)	Total Revenue	Sales ('000 Gal)	Total Revenue	Sales ('000 Gal)	Total Revenue	Dollar Change	Percentage Change
1	**Monthly Billing:**										
2											
3	Residential	5,621,565	$49,710,860	5,621,565	$57,269,622	5,631,655	$47,551,194	5,631,655	$57,693,731	$10,142,537	21.33%
4	Commercial	3,752,835	22,807,771	3,752,835	26,458,936	3,798,369	21,663,948	3,798,369	26,688,212	5,024,264	23.19%
5	Industrial	665,212	2,891,875	665,212	3,305,955	617,725	2,515,892	617,725	3,055,706	539,814	21.46%
6	Other Public Authority	1,196,739	6,189,331	1,196,739	7,210,745	1,165,872	5,703,375	1,165,872	7,024,802	1,321,427	23.17%
7	Sale for Resale	444,645	1,899,572	444,645	2,112,378	426,827	1,711,088	426,827	2,052,498	341,410	19.95%
8	Private Fire Service:	8,398	2,824,025	8,398	2,945,178	0	2,664,721	0	2,986,786	322,065	12.09%
9	Public Fire Service	0	3,830,456	0	4,388,278	0	3,611,110	0	4,390,349	779,239	21.58%
10	Miscellaneous	7,800	90,976	7,800	83,218	3,153	60,281	3,153	60,281	0	0.00%
11	Other Water Revenue	0	(1,363,580)	0	(1,363,580)	0	0	0	0	0	0.00%
12	Total	11,697,193	$88,881,286	11,697,193	$102,410,729	11,643,601	$85,481,609	11,643,601	$103,952,365	$18,470,756	21.61%
13											
14	**Miscellaneous Revenues:**										
15	Other Water Revenue		$ -		$0		$0		$0	0	0.00%
16	Late Payment Fee		795,842		795,842		784,484		784,484	0	0.00%
17	Rent		88,200		88,200		96,878		96,878	0	0.00%
18	Rent I/C		151,649		151,649		154,930		154,930	0	0.00%
19	Collect for Others		0		0		0		0	0	0.00%
20	NSF Check Charge		31,464		31,464		30,840		30,840	0	0.00%
21	Application/Initiation Fee		755,529		755,529		765,681		765,681	0	0.00%
22	Usage Data		46,808		46,808		51,538		51,538	0	0.00%
23	Reconnect Fee		616,698		616,698		598,864		598,864	0	0.00%
24	Miscellaneous Service		0		0		0		0	0	0.00%
25	WW-Miscellaneous Service		0		0		0		0	0	0.00%
26	Total Other Revenue		$ 2,486,189		$2,486,189		$2,483,215		$2,483,215	$0	0.00%
27											
28	Total Revenue		$ 91,367,475		$104,896,918		$87,964,824		$106,435,580	$18,470,756	21.00%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
ALL CUSTOMERS (Residential)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
Support\Schedule M\[KAWC 2018 Rate Case - Revenue.xlsx]Sch M

		Base Period at Present Rates				Base Period at Proposed Rates				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Residential:**																		
2	Minimum Charge:																		
3	5/8" Monthly	1,410,918		$12.46	$17,576,282	1,410,918		$15.00	$21,163,767	1,431,589		$12.63	$18,085,530	1,431,589		$15.00	$21,473,835	$3,388,305	18.73%
4	3/4" Monthly	4		18.74	82	4		22.40	99	0		0.00	0	0		22.40	0	0	0.00%
5	1" Monthly	23,227		31.23	725,377	23,227		37.30	866,364	24,807		31.23	774,723	24,807		37.30	925,301	150,578	19.44%
6	1-1/2" Monthly	153		62.45	9,578	153		74.70	11,457	156		62.45	9,742	156		74.70	11,653	1,911	19.62%
7	2" Monthly	1,434		99.92	143,267	1,434		119.50	171,342	1,404		99.92	140,288	1,404		119.50	167,778	27,490	19.60%
8	3" Monthly	0		187.35	0	0		224.00	0	0		0.00	0	0		224.00	0	0	0.00%
9	4" Monthly	0		312.25	0	0		373.40	0	0		0.00	0	0		373.40	0	0	0.00%
10	6" Monthly	36		624.50	22,371	36		746.70	26,748	36		624.50	22,482	36		746.70	26,881	4,399	19.57%
11	8" Monthly	12		999.20	11,990	12		1,194.70	14,336	12		999.17	11,990	12		1,194.70	14,336	2,346	19.57%
12	Surcharge																	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		5,586,520	$5.5381	$30,938,917		5,586,520	$6.2280	$34,792,849		5,614,527	$5.0409	$28,302,267		5,614,527	$6.2280	$34,967,272	$6,665,005	23.55%
18	Second Block		11,380	$11.5300	131,209		11,380	6.2280	70,873		17,128	11.9202	204,172		17,128	6.2280	106,675	(97,497)	-47.75%
19	Third Block		0	0.0000	0		0	6.2280	0		0	0.0000	0		0	6.2280	0	0	0.00%
20	Fourth Block		0	0.0000	0		0	6.2280	0		0	0.0000	0		0	6.2280	0	0	0.00%
21	Fifth Block		0	0.0000	0		0	6.2280	0		0	0.0000	0		0	6.2280	0	0	0.00%
22	Sixth Block		0	0.0000	0		0	6.2280	0		0	0.0000	0		0	6.2280	0	0	0.00%
23	Credits		23,665		151,787		23,665		151,787				0		0		0	0	0.00%
24																			
25	Total		5,621,565		$49,710,860		5,621,565		$57,269,622		5,631,655		$47,551,194		5,631,655		$57,693,731	$10,142,537	21.33%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
ALL CUSTOMERS (Commercial)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
Support\Schedule M\[KAWC 2018 Rate Case - Revenue.xlsx]Sch M

		Base Period at Present Rates				Base Period at Proposed Rates				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Commercial:**																		
2	Minimum Charge:																		
3	5/8" Monthly	55,195		$13.69	$755,533	55,195		$15.00	$827,929	55,239		$13.70	$756,775	55,239		$15.00	$828,585	$71,810	9.49%
4	3/4" Monthly	0		20.46	0	0		22.40	0	0		0.00	0	0		22.40	0	0	0.00%
5	1" Monthly	28,728		34.07	978,770	28,728		37.30	1,071,562	29,094		34.07	991,233	29,094		37.30	1,085,206	93,973	9.48%
6	1-1/2" Monthly	2,116		68.17	144,248	2,116		74.70	158,065	2,112		68.17	143,975	2,112		74.70	157,766	13,791	9.58%
7	2" Monthly	23,744		109.04	2,589,320	23,744		119.50	2,837,373	24,100		108.60	2,617,271	24,100		119.50	2,879,950	262,679	10.04%
8	3" Monthly	12		204.47	2,454	12		224.00	2,688	12		204.50	2,454	12		224.00	2,688	234	9.54%
9	4" Monthly	358		340.77	122,060	358		373.40	133,748	360		340.77	122,677	360		373.40	134,424	11,747	9.58%
10	6" Monthly	171		681.50	116,499	171		746.70	127,645	168		681.50	114,492	168		746.70	125,446	10,954	9.57%
11	8" Monthly	132		1,090.40	144,010	132		1,194.70	157,785	132		1,090.40	143,933	132		1,194.70	157,700	13,767	9.56%
12	Surcharge																	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		3,751,229	$4.7620	$17,863,210		3,751,229	$5.6120	$21,051,897		3,797,076	$4.4112	$16,749,572		3,797,076	$5.6120	$21,309,188	$4,559,616	27.22%
18	Second Block		240	11.5300	2,772		240	5.6120	1,349		640	15.4535	9,890		640	5.6120	3,592	(6,298)	-63.68%
19	Third Block		0	0.0000	0		0	5.6120	0		653	17.8696	11,676		653	5.6120	3,667	(8,009)	-68.59%
20	Fourth Block		0	0.0000	0		0	5.6120	0		0	0.0000	0		0	5.6120	0	0	0.00%
21	Fifth Block		0	0.0000	0		0	5.6120	0		0	0.0000	0		0	5.6120	0	0	0.00%
22	Sixth Block		0	0.0000	0		0	5.6120	0		0	0.0000	0		0	5.6120	0	0	0.00%
23	Credits		1,366		88,895		1,366		88,895				0		0		0	0	0.00%
24																			
25	Total		3,752,835		$22,807,771		3,752,835		$26,458,936		3,798,369		$21,663,948		3,798,369		$26,688,212	$5,024,264	23.19%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
ALL CUSTOMERS (Industrial)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
Support\Schedule M\[KAWC 2018 Rate Case - Revenue.xlsx]Sch M

		Base Period at Present Rates				Base Period at Proposed Rates				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Industrial:**																		
2	Minimum Charge:																		
3	5/8" Monthly	77		$13.63	$1,052	77		$15.00	$1,158	72		$13.63	$981	72		$15.00	$1,080	$99	10.09%
4	3/4" Monthly	0		20.46	0	0		22.40	0	0		20.46	0	0		22.40	0	0	0.00%
5	1" Monthly	53		34.07	1,812	53		37.30	1,984	48		34.07	1,635	48		37.30	1,790	155	9.48%
6	1-1/2" Monthly	24		68.17	1,636	24		74.70	1,793	24		68.17	1,636	24		74.70	1,793	157	9.60%
7	2" Monthly	264		109.04	28,767	264		119.50	31,527	264		109.04	28,787	264		119.50	31,548	2,761	9.59%
8	3" Monthly	0		204.47	0	0		224.00	0	0		204.47	0	0		224.00	0	0	0.00%
9	4" Monthly	123		340.77	41,988	123		373.40	46,009	120		340.77	40,892	120		373.40	44,808	3,916	9.58%
10	6" Monthly	108		681.50	73,602	108		746.70	80,644	108		681.50	73,602	108		746.70	80,644	7,042	9.57%
11	8" Monthly	0		1,090.40	0	0		1,194.70	0	0		1,090.40	0	0		1,194.70	0	0	0.00%
12	Surcharge																	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		665,212	$4.0840	$2,716,697		665,212	$4.6850	$3,116,519		617,725	$3.8340	$2,368,359		617,725	$4.6850	$2,894,043	$525,684	22.20%
18	Second Block		0	0.0000	0		0	4.6850	0		0	0.0000	0		0	4.6850	0	0	0.00%
19	Third Block		0	0.0000	0		0	4.6850	0		0	0.0000	0		0	4.6850	0	0	0.00%
20	Fourth Block		0	0.0000	0		0	4.6850	0		0	0.0000	0		0	4.6850	0	0	0.00%
21	Fifth Block		0	0.0000	0		0	4.6850	0		0	0.0000	0		0	4.6850	0	0	0.00%
22	Sixth Block		0	0.0000	0		0	4.6850	0		0	0.0000	0		0	4.6850	0	0	0.00%
23	Credits		0		26,321		0		26,321						0		0	0	0.00%
24																			
25	Total		665,212		$2,891,875		665,212		$3,305,955		617,725		$2,515,892		617,725		$3,055,706	$539,814	21.46%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
ALL CUSTOMERS (Other Public Authority)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
Support\Schedule M\[KAWC 2018 Rate Case - Revenue.xlsx]Sch M

		Base Period at Present Rates				Base Period at Proposed Rates				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Other Public Authority:**																		
2	Minimum Charge:																		
3	5/8" Monthly	1,731		$13.63	$23,691	1,731		$15.00	$25,959	1,500		$13.63	$20,445	1,500		$15.00	$22,500	$2,055	10.05%
4	3/4" Monthly	0		20.46	0	0		22.40	0	0		0.00	0	0		22.40	0	0	0.00%
5	1" Monthly	2,112		34.07	71,973	2,112		37.30	78,796	2,184		34.07	74,409	2,184		37.30	81,463	7,054	9.48%
6	1-1/2" Monthly	367		68.17	25,021	367		74.70	27,418	384		68.17	26,177	384		74.70	28,685	2,508	9.58%
7	2" Monthly	4,628		109.04	504,682	4,628		119.50	553,095	4,860		109.04	529,934	4,860		119.50	580,770	50,836	9.59%
8	3" Monthly	12		204.47	2,411	12		224.00	2,641	12		204.50	2,454	12		224.00	2,688	234	9.54%
9	4" Monthly	507		340.77	172,822	507		373.40	189,370	540		340.77	184,016	540		373.40	201,636	17,620	9.58%
10	6" Monthly	164		681.50	111,766	164		746.70	122,459	168		681.50	114,492	168		746.70	125,446	10,954	9.57%
11	8" Monthly	24		1,090.40	26,170	24		1,194.70	28,673	24		1,090.42	26,170	24		1,194.70	28,673	2,503	9.56%
12	Surcharge																	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		1,196,975	$4.3278	$5,180,218		1,196,975	$5.1060	$6,111,757		1,165,872	$4.0530	$4,725,278		1,165,872	$5.1060	$5,952,941	$1,227,663	25.98%
18	Second Block		0	0.0000	0		0	5.1060	0		0	0.0000	0		0	5.1060	0	0	0.00%
19	Third Block		0	0.0000	0		0	5.1060	0		0	0.0000	0		0	5.1060	0	0	0.00%
20	Fourth Block		0	0.0000	0		0	5.1060	0		0	0.0000	0		0	5.1060	0	0	0.00%
21	Fifth Block		0	0.0000	0		0	5.1060	0		0	0.0000	0		0	5.1060	0	0	0.00%
22	Sixth Block		0	0.0000	0		0	5.1060	0		0	0.0000	0		0	5.1060	0	0	0.00%
23	Credits		(237)		70,577		(237)		70,577				0		0		0	0	0.00%
24																			
25	Total		1,196,739		$6,189,331		1,196,739		$7,210,745		1,165,872		$5,703,375		1,165,872		$7,024,802	$1,321,427	23.17%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
ALL CUSTOMERS (Sale for Resale)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
Support\Schedule M\[KAWC 2018 Rate Case - Revenue.xlsx]Sch M

		Base Period at Present Rates				Base Period at Proposed Rates				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Sale for Resale:**																		
2	Minimum Charge:																		
3	5/8" Monthly	0		$13.63	$0	0		$15.00	$0	0		$0.00	$0	0		$15.00	$0	$0	0.00%
4	3/4" Monthly	0		20.46	0	0		22.40	0	0		0.00	0	0		22.40	0	0	0.00%
5	1" Monthly	0		34.07	0	0		37.30	0	0		0.00	0	0		37.30	0	0	0.00%
6	1-1/2" Monthly	38		68.17	2,602	38		74.70	2,851	60		68.17	4,090	60		74.70	4,482	392	9.58%
7	2" Monthly	58		109.04	6,285	58		119.50	6,887	48		109.04	5,234	48		119.50	5,736	502	9.59%
8	3" Monthly	0		204.47	0	0		224.00	0	0		0.00	0	0		224.00	0	0	0.00%
9	4" Monthly	55		340.77	18,754	55		373.40	20,549	72		288.76	20,791	72		373.40	26,885	6,094	29.31%
10	6" Monthly	50		681.50	34,187	50		746.70	37,458	48		681.50	32,712	48		746.70	35,842	3,130	9.57%
11	8" Monthly	0		1,090.40	0	0		1,194.70	0	0		0.00	0	0		1,194.70	0	0	0.00%
12	Owenton				0				0				0.00				0	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		401,304	$4.1148	$1,651,277		401,304	$4.6980	$1,885,326		416,336	$3.9023	$1,624,657		416,336	$4.6980	$1,955,947	$331,290	20.39%
18	Second Block		0	0.0000	0		0	4.6980	0		0	0.0000	0		0	4.6980	0	0	0.00%
19	Third Block		0	0.0000	0		0	4.6980	0		0	0.0000	0		0	4.6980	0	0	0.00%
20	Fourth Block		0	0.0000	0		0	4.6980	0		0	0.0000	0		0	4.6980	0	0	0.00%
21	Fifth Block		0	0.0000	0		0	4.6980	0		0	0.0000	0		0	4.6980	0	0	0.00%
22	Sixth Block		0	0.0000	0		0	4.6980	0		0	0.0000	0		0	4.6980	0	0	0.00%
23	SFR-Intercompany		0	0.0000	27,160		0				0	0.0000	0		0				
24	Credits		23,697	0.0000	115,108		23,697		115,108		0	0.0000	0		0		0	0	0.00%
25	Special Contract		19,644	2.2500	44,199		19,644	2.2500	44,199		10,491	$2.2500	$23,606		10,491	2.2500	$23,606		
26	Total		444,645		$1,899,572		444,645		$2,112,378		426,827		$1,711,090		426,827		$2,052,498	$341,408	19.95%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
ALL CUSTOMERS (Fire)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
Support\Schedule M\[KAWC 2018 Rate Case - Revenue.xlsx]Sch M

		Base Period at Present Rates			Base Period at Proposed Rates			Test Year at Present Rates			Test Year at Proposed Rates				
Line #	Connection Size	Number of Connections	Current Rate	Total Revenue	Number of Connections	Proposed Rate	Total Revenue	Number of Connections	Current Rate	Total Revenue	Number of Connections	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Private Fire Service:**														
2	Hydrant	14,869	$75.32	$1,119,933	14,869	$79.47	$1,181,624	14,880	$70.90	$1,054,992	14,880	$79.47	$1,182,514	$127,522	12.09%
3	2"	835	8.63	7,212	835	$9.09	7,593	900	8.11	7,299	900	9.09	8,181	882	12.08%
4	4"	5,226	34.73	181,521	5,226	$36.62	191,392	5,748	32.67	187,787	5,748	36.62	210,492	22,705	12.09%
5	6"	11,368	78.07	887,469	11,368	$82.37	936,357	11,616	73.49	853,660	11,616	82.37	956,810	103,150	12.08%
6	8"	3,768	138.81	523,039	3,768	$146.43	551,754	3,840	130.64	501,658	3,840	146.43	562,291	60,633	12.09%
7	10"	151	216.68	32,759	151	$228.87	34,601	156	204.18	31,852	156	228.87	35,704	3,852	12.09%
8	12"	72	312.84	22,525	72	$330.03	23,762	72	294.43	21,199	72	330.03	23,762	2,563	12.09%
9	14"	0	0.00	0	0	$475.22	0	0	423.96	0	0	475.22	0	0	0.00%
10	16"	12	555.51	6,666	12	$586.02	7,032	12	522.81	6,274	12	586.02	7,032	758	12.08%
11															
12															
13	Credits			11,063			11,063						0		
14	Total	36,301		$2,792,187	36,301		$2,945,178	37,224		$2,664,721	37,224		$2,986,786	$322,065	12.09%
15															
16	Volumetric Charges:														
17	First Block	6,730	$4.7305	$31,838	6,730	$0.0000	$0	0	$4.7305	$0	0	$0.0000	$0	$0	0.00%
18															
19															
20	**Public Fire Protection:**														
21	Public Fire Hydrants	89,778	$42.30	$3,797,309	89,778	$48.51	$4,355,131	90,504	$39.90	$3,611,110	90,504	$48.51	$4,390,349	$779,239	21.58%
22															
23		89,778		$3,797,309	89,778		$4,355,131	90,504		$3,611,110	90,504		$4,390,349	$779,239	21.58%
24															
25	Credits	8,398		33,147	8,398		33,147			0			0		
26															
27	Total Fire			$6,654,480			$7,333,455			$6,275,831			$7,377,135	$1,101,304	17.55%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
ALL CUSTOMERS (Miscellaneous)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
Support\Schedule M\[KAWC 2018 Rate Case - Revenue.xlsx]Sch M

		Base Period				Base Period				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales 0	Current Rate	Total Revenue	Customer Meter Billings	Sales 0	Current Rate	Total Revenue	Customer Meter Billings	Sales 0	Current Rate	Total Revenue	Customer Meter Billings	Sales 0	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Miscellaneous:**																		
2	Minimum Charge:																		
3	5/8" Monthly	34		$13.63	$467	34		$13.63	$467	48		$13.63	$654	48		$13.63	$654	$0	0.00%
4	3/4" Monthly	0		$20.46	0	0		20.46	0	0		20.46	0	0		20.46	0	0	0.00%
5	1" Monthly	239		$34.07	8,139	239		34.07	8,139	288		34.07	9,812	288		34.07	9,812	0	0.00%
6	1-1/2" Monthly	0		$68.17	0	0		68.17	0	0		68.17	0	0		68.17	0	0	0.00%
7	2" Monthly	0		$109.04	0	0		109.04	0	0		109.04	0	0		109.04	0	0	0.00%
8	3" Monthly	165		$204.47	33,839	165		204.47	33,839	192		204.47	39,258	192		204.47	39,258	0	0.00%
9	4" Monthly	0		$340.77	0	0		340.77	0	0		340.77	0	0		340.77	0	0	0.00%
10	6" Monthly	0		$681.50	0	0		681.50	0	0		681.50	0	0		681.50	0	0	0.00%
11	8" Monthly	0		$1,090.40	0	0		1,090.40	0	0		1,090.40	0	0		1,090.40	0	0	0.00%
12	Surcharge																	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		10,863	$4.0622	$44,129		10,863	$3.3480	$36,371		3,153	$3.3480	$10,557		3,153	$3.3480	$10,557	$0	0.00%
18	Second Block		0	0.0000	0		0	0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%
19	Third Block		0	0.0000	0		0	0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%
20	Fourth Block		0	0.0000	0		0	0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%
21	Fifth Block		0	0.0000	0		0	0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%
22	Sixth Block		0	0.0000	0		0	0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%
23	Credits		(3,064)		4,402		(3,064)		4,402		0		0		0		0	0	0.00%
24																			
25	Total		7,800		$90,976		7,800		$83,218		3,153		$60,281		3,153		$60,281	$0	0.00%

Kentucky American Water Company
Forecast Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
ALL CUSTOMERS EXCEPT EASTERN ROCKCASTLE AND NORTH MIDDLETOWN

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-2
Support\Schedule M\[KAWC 2018 Rate Case - Revenue - KY American.xlsx]Sch M

		Base Period at Present Rates		Base Period at Proposed Rates		Test Year at Present Rates		Test Year at Proposed Rates			
Line #	Class/ Description	Sales ('000 Gal)	Total Revenue	Sales ('000 Gal)	Total Revenue	Sales ('000 Gal)	Total Revenue	Sales ('000 Gal)	Total Revenue	Dollar Change	Percentage Change
1	**Monthly Billing:**										
2											
3	Residential	5,602,903	$49,423,758	5,602,903	$57,070,636	5,594,439	$46,991,859	5,594,439	$57,281,591	$10,289,732	21.90%
4	Commercial	3,752,294	22,797,994	3,752,294	26,451,879	3,796,367	21,631,116	3,796,367	26,657,244	5,026,128	23.24%
5	Industrial	665,212	2,891,875	665,212	3,305,955	617,725	2,515,892	617,725	3,055,706	539,814	21.46%
6	Other Public Authority	1,196,739	6,189,133	1,196,739	7,210,614	1,165,872	5,703,375	1,165,872	7,024,802	1,321,427	23.17%
7	Sale for Resale	444,645	1,899,572	444,645	2,112,378	389,754	1,541,318	389,754	1,873,844	332,526	21.57%
8	Private Fire Service:	6,730	2,824,016	6,730	2,945,169	0	2,664,721	0	2,986,786	322,065	12.09%
9	Public Fire Service	0	3,830,466	0	4,388,288	0	3,591,958	0	4,367,064	775,106	21.58%
10	Miscellaneous	9,289	90,976	9,289	83,218	3,153	60,281	3,153	60,281	0	0.00%
11	Other Water Revenue	0	(1,363,580)	0	(1,363,580)	0	0	0	0	0	0.00%
12	Total	11,677,813	$88,584,210	11,677,813	$102,204,555	11,567,310	84,700,520	11,567,310	$103,307,318	$18,606,798	21.97%
13											
14	**Miscellaneous Revenues:**										
15	Other Water Revenue		$ -		$0		$0		$0	0	0.00%
16	Late Payment Fee		793,084		793,084		781,545		781,545	0	0.00%
17	Rent		88,200		88,200		96,878		96,878	0	0.00%
18	Rent I/C		151,649		151,649		154,930		154,930	0	0.00%
19	Collect for Others		0		0		0		0	0	0.00%
20	NSF Check Charge		31,452		31,452		30,840		30,840	0	0.00%
21	Application/Initiation Fee		754,017		754,017		763,945		763,945	0	0.00%
22	Usage Data		46,808		46,808		51,538		51,538	0	0.00%
23	Reconnect Fee		615,606		615,606		598,864		598,864	0	0.00%
24	Miscellaneous Service		0		0		0		0	0	0.00%
25	WW-Miscellaneous Service		0		0		0		0	0	0.00%
26	Total Other Revenue		$ 2,480,814		$2,480,814		$2,478,539		$2,478,539	$0	0.00%
27											
28	Total Revenue		$ 91,065,024		$104,685,370		$87,179,059		$105,785,857	$18,606,798	21.34%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
ALL CUSTOMERS EXCEPT EASTERN ROCKCASTLE AND NORTH MIDDLETOWN (Residential)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
Support\Schedule M\[KAWC 2018 Rate Case - Revenue - KY American.xlsx]Sch M

		Base Period at Present Rates				Base Period at Proposed Rates				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Residential:**																		
2	Minimum Charge:																		
3	5/8" Monthly	1,404,177		$12.38	$17,385,654	1,404,177		$15.00	$21,062,655	1,419,565		$12.49	$17,730,367	1,419,565		$15.00	$21,293,475	$3,563,108	20.10%
4	3/4" Monthly	4		18.74	82	4		22.40	99	0		0.00	0	0		22.40	0	0	0.00%
5	1" Monthly	23,227		31.23	725,377	23,227		37.30	866,364	24,807		31.23	774,723	24,807		37.30	925,301	150,578	19.44%
6	1-1/2" Monthly	153		62.45	9,578	153		74.70	11,457	156		62.45	9,742	156		74.70	11,653	1,911	19.62%
7	2" Monthly	1,434		99.92	143,267	1,434		119.50	171,342	1,404		99.92	140,288	1,404		119.50	167,778	27,490	19.60%
8	3" Monthly	0		187.35	0	0		224.00	0	0		0.00	0	0		224.00	0	0	0.00%
9	4" Monthly	0		312.25	0	0		373.40	0	0		0.00	0	0		373.40	0	0	0.00%
10	6" Monthly	36		624.50	22,371	36		746.70	26,748	36		624.50	22,482	36		746.70	26,881	4,399	19.57%
11	8" Monthly	12		999.20	11,990	12		1,194.70	14,336	12		999.17	11,990	12		1,194.70	14,336	2,346	19.57%
12	Surcharge																	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		5,576,608	$5.5480	$30,938,917		5,576,608	$6.2280	$34,731,113		5,594,439	$5.0590	$28,302,267		5,594,439	$6.2280	$34,842,167	$6,539,900	23.11%
18	Second Block		0	0.0000	0		0	6.2280	0		0	0.0000	0		0	6.2280	0	0	0.00%
19	Third Block		0	0.0000	0		0	6.2280	0		0	0.0000	0		0	6.2280	0	0	0.00%
20	Fourth Block		0	0.0000	0		0	6.2280	0		0	0.0000	0		0	6.2280	0	0	0.00%
21	Fifth Block		0	0.0000	0		0	6.2280	0		0	0.0000	0		0	6.2280	0	0	0.00%
22	Sixth Block		0	0.0000	0		0	6.2280	0		0	0.0000	0		0	6.2280	0	0	0.00%
23	Credits		26,296		186,522		26,296		186,522				0		0		0	0	0.00%
24																			
25	Total		5,602,903		$49,423,758		5,602,903		$57,070,636		5,594,439		$46,991,859		5,594,439		$57,281,591	$10,289,732	21.90%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
ALL CUSTOMERS EXCEPT EASTERN ROCKCASTLE AND NORTH MIDDLETOWN (Commercial)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
Support\Schedule M\[KAWC 2018 Rate Case - Revenue - KY American.xlsx]Sch M

		Base Period at Present Rates				Base Period at Proposed Rates				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Commercial:**																		
2	Minimum Charge:																		
3	5/8" Monthly	54,975		$13.63	$749,316	54,975		$15.00	$824,632	54,975		$13.63	$749,309	54,975		$15.00	$824,625	$75,316	10.05%
4	3/4" Monthly	0		20.46	0	0		22.40	0	0		20.46	0	0		22.40	0	0	0.00%
5	1" Monthly	28,728		34.07	978,770	28,728		37.30	1,071,562	29,094		34.07	991,233	29,094		37.30	1,085,206	93,973	9.48%
6	1-1/2" Monthly	2,116		68.17	144,248	2,116		74.70	158,065	2,112		68.17	143,975	2,112		74.70	157,766	13,791	9.58%
7	2" Monthly	23,739		109.04	2,588,530	23,739		119.50	2,836,843	23,968		109.04	2,613,471	23,968		119.50	2,864,176	250,705	9.59%
8	3" Monthly	12		204.47	2,454	12		224.00	2,688	12		204.47	2,454	12		224.00	2,688	234	9.54%
9	4" Monthly	358		340.77	122,060	358		373.40	133,748	360		340.77	122,677	360		373.40	134,424	11,747	9.58%
10	6" Monthly	171		681.50	116,499	171		746.70	127,645	168		681.50	114,492	168		746.70	125,446	10,954	9.57%
11	8" Monthly	132		1,090.40	144,010	132		1,194.70	157,785	132		1,090.40	143,933	132		1,194.70	157,700	13,767	9.56%
12	Surcharge																	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		3,750,893	$4.7624	$17,863,210		3,750,893	$5.6120	$21,050,014		3,796,367	$4.4120	$16,749,572		3,796,367	$5.6120	$21,305,213	$4,555,641	27.20%
18	Second Block		0	0.0000	0		0	5.6120	0		0	0.0000	0		0	5.6120	0	0	0.00%
19	Third Block		0	0.0000	0		0	5.6120	0		0	0.0000	0		0	5.6120	0	0	0.00%
20	Fourth Block		0	0.0000	0		0	5.6120	0		0	0.0000	0		0	5.6120	0	0	0.00%
21	Fifth Block		0	0.0000	0		0	5.6120	0		0	0.0000	0		0	5.6120	0	0	0.00%
22	Sixth Block		0	0.0000	0		0	5.6120	0		0	0.0000	0		0	5.6120	0	0	0.00%
23	Credits		1,400		88,897		1,400		88,897				0		0		0	0	0.00%
24																			
25	Total		3,752,294		$22,797,994		3,752,294		$26,451,879		3,796,367		$21,631,116		3,796,367		$26,657,244	$5,026,128	23.24%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
ALL CUSTOMERS EXCEPT EASTERN ROCKCASTLE AND NORTH MIDDLETOWN (Industrial)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
Support\Schedule M\[KAWC 2018 Rate Case - Revenue - KY American.xlsx]Sch M

		Base Period at Present Rates				Base Period at Proposed Rates				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Industrial:**																		
2	Minimum Charge:																		
3	5/8" Monthly	77		$13.63	$1,052	77		$15.00	$1,158	72		$13.63	$981	72		$15.00	$1,080	$99	10.09%
4	3/4" Monthly	0		20.46	0	0		22.40	0	0		20.46	0	0		22.40	0	0	0.00%
5	1" Monthly	53		34.07	1,812	53		37.30	1,984	48		34.07	1,635	48		37.30	1,790	155	9.48%
6	1-1/2" Monthly	24		68.17	1,636	24		74.70	1,793	24		68.17	1,636	24		74.70	1,793	157	9.60%
7	2" Monthly	264		109.04	28,767	264		119.50	31,527	264		109.04	28,787	264		119.50	31,548	2,761	9.59%
8	3" Monthly	0		204.47	0	0		224.00	0	0		204.47	0	0		224.00	0	0	0.00%
9	4" Monthly	123		340.77	41,988	123		373.40	46,009	120		340.77	40,892	120		373.40	44,808	3,916	9.58%
10	6" Monthly	108		681.50	73,602	108		746.70	80,644	108		681.50	73,602	108		746.70	80,644	7,042	9.57%
11	8" Monthly	0		1,090.40	0	0		1,194.70	0	0		1,090.40	0	0		1,194.70	0	0	0.00%
12	Surcharge																	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		665,212	$4.0840	$2,716,697		665,212	$4.6850	$3,116,519		617,725	$3.8340	$2,368,359		617,725	$4.6850	$2,894,043	$525,684	22.20%
18	Second Block		0	0.0000	0		0	4.6850	0		0	0.0000	0		0	4.6850	0	0	0.00%
19	Third Block		0	0.0000	0		0	4.6850	0		0	0.0000	0		0	4.6850	0	0	0.00%
20	Fourth Block		0	0.0000	0		0	4.6850	0		0	0.0000	0		0	4.6850	0	0	0.00%
21	Fifth Block		0	0.0000	0		0	4.6850	0		0	0.0000	0		0	4.6850	0	0	0.00%
22	Sixth Block		0	0.0000	0		0	4.6850	0		0	0.0000	0		0	4.6850	0	0	0.00%
23	Credits		0		26,321		0		26,321						0		0	0	0.00%
24																			
25	Total		665,212		$2,891,875		665,212		$3,305,955		617,725		$2,515,892		617,725		$3,055,706	$539,814	21.46%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
ALL CUSTOMERS EXCEPT EASTERN ROCKCASTLE AND NORTH MIDDLETOWN (Other Public Authority)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
Support\Schedule M\[KAWC 2018 Rate Case - Revenue - KY American.xlsx]Sch M

		Base Period at Present Rates				Base Period at Proposed Rates				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Other Public Authority:**																		
2	Minimum Charge:																		
3	5/8" Monthly	1,724		$13.63	$23,493	1,724		$15.00	$25,854	1,500		$13.63	$20,445	1,500		$15.00	$22,500	$2,055	10.05%
4	3/4" Monthly	0		20.46	0	0		22.40	0	0		0.00	0	0		22.40	0	0	0.00%
5	1" Monthly	2,112		34.07	71,973	2,112		37.30	78,796	2,184		34.07	74,409	2,184		37.30	81,463	7,054	9.48%
6	1-1/2" Monthly	367		68.17	25,021	367		74.70	27,418	384		68.17	26,177	384		74.70	28,685	2,508	9.58%
7	2" Monthly	4,628		109.04	504,682	4,628		119.50	553,095	4,860		109.04	529,934	4,860		119.50	580,770	50,836	9.59%
8	3" Monthly	12		204.47	2,411	12		224.00	2,641	12		204.50	2,454	12		224.00	2,688	234	9.54%
9	4" Monthly	507		340.77	172,822	507		373.40	189,370	540		340.77	184,016	540		373.40	201,636	17,620	9.58%
10	6" Monthly	164		681.50	111,766	164		746.70	122,459	168		681.50	114,492	168		746.70	125,446	10,954	9.57%
11	8" Monthly	24		1,090.40	26,170	24		1,194.70	28,673	24		1,090.42	26,170	24		1,194.70	28,673	2,503	9.56%
12	Surcharge																	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		1,196,970	$4.3278	$5,180,218		1,196,970	$5.1060	$6,111,731		1,165,872	$4.0530	$4,725,278		1,165,872	$5.1060	$5,952,941	$1,227,663	25.98%
18	Second Block		0	0.0000	0		0	5.1060	0		0	0.0000	0		0	5.1060	0	0	0.00%
19	Third Block		0	0.0000	0		0	5.1060	0		0	0.0000	0		0	5.1060	0	0	0.00%
20	Fourth Block		0	0.0000	0		0	5.1060	0		0	0.0000	0		0	5.1060	0	0	0.00%
21	Fifth Block		0	0.0000	0		0	5.1060	0		0	0.0000	0		0	5.1060	0	0	0.00%
22	Sixth Block		0	0.0000	0		0	5.1060	0		0	0.0000	0		0	5.1060	0	0	0.00%
23	Credits		(232)		70,577		(232)		70,577				0		0		0	0	0.00%
24																			
25	Total		1,196,739		6,189,133		1,196,739		$7,210,614		1,165,872		$5,703,375		1,165,872		$7,024,802	$1,321,427	23.17%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
ALL CUSTOMERS EXCEPT EASTERN ROCKCASTLE AND NORTH MIDDLETOWN (Sale for Resale)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
Support\Schedule M\[KAWC 2018 Rate Case - Revenue - KY American.xlsx]Sch M

		Base Period at Present Rates				Base Period at Proposed Rates				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Sale for Resale:**																		
2	Minimum Charge:																		
3	5/8" Monthly	0		$13.63	$0	0		$15.00	$0	0		$13.63	$0	0		$15.00	$0	$0	0.00%
4	3/4" Monthly	0		20.46	0	0		22.40	0	0		20.46	0	0		22.40	0	0	0.00%
5	1" Monthly	0		34.07	0	0		37.30	0	0		34.07	0	0		37.30	0	0	0.00%
6	1-1/2" Monthly	38		68.17	2,602	38		74.70	2,851	60		68.17	4,090	60		74.70	4,482	392	9.58%
7	2" Monthly	58		109.04	6,285	58		119.50	6,887	48		109.04	5,234	48		119.50	5,736	502	9.59%
8	3" Monthly	0		204.47	0	0		224.00	0	0		204.47	0	0		224.00	0	0	0.00%
9	4" Monthly	55		340.77	18,754	55		373.40	20,549	60		340.77	20,446	60		373.40	22,404	1,958	9.58%
10	6" Monthly	50		681.50	34,187	50		746.70	37,458	48		681.50	32,712	48		746.70	35,842	3,130	9.57%
11	8" Monthly	0		1,090.40	0	0		1,194.70	0	0		1,090.40	0	0		1,194.70	0	0	0.00%
12	Owenton				0				0								0	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		401,304	$4.1148	$1,651,277		401,304	$4.6980	$1,885,326		379,262	$3.8370	$1,455,230		379,262	$4.6980	$1,781,774	$326,544	22.44%
18	Second Block		0	0.0000	0		0	4.6980	0		0	0.0000	0		0	4.6980	0	0	0.00%
19	Third Block		0	0.0000	0		0	4.6980	0		0	0.0000	0		0	4.6980	0	0	0.00%
20	Fourth Block		0	0.0000	0		0	4.6980	0		0	0.0000	0		0	4.6980	0	0	0.00%
21	Fifth Block		0	0.0000	0		0	4.6980	0		0	0.0000	0		0	4.6980	0	0	0.00%
22	Sixth Block		0	0.0000	0		0	4.6980	0		0	0.0000	0		0	4.6980	0	0	0.00%
23	SFR-Intercompany		0	0.0000	27,160		0	0.0000			0	0.0000	0		0				
24	Credits		23,697	0.0000	115,108		23,697	0.0000	115,108		0	0.0000	0		0		0	0	0.00%
25	Special Contract		19,644	2.2500	44,199		19,644	2.2500	44,199		10,491	$2.2500	$23,606		10,491	2.2500	$23,606		
26	Total		444,645		$1,899,572		444,645		$2,112,378		389,754		$1,541,318		389,754		$1,873,844	$332,526	21.57%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
ALL CUSTOMERS EXCEPT EASTERN ROCKCASTLE AND NORTH MIDDLETOWN (Fire)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
Support\Schedule M\[KAWC 2018 Rate Case - Revenue - KY American.xlsx]Sch M

		Base Period at Present Rates			Base Period at Proposed Rates			Test Year at Present Rates			Test Year at Proposed Rates				
Line #	Connection Size	Number of Connections	Current Rate	Total Revenue	Number of Connections	Proposed Rate	Total Revenue	Number of Connections	Current Rate	Total Revenue	Number of Connections	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Private Fire Service:**														
2	Hydrant	14,869	$75.32	$1,119,933	14,869	$79.47	$1,181,624	14,880	$70.90	$1,054,992	14,880	$79.47	$1,182,514	$127,522	12.09%
3	2"	835	8.63	7,212	835	9.09	7,593	900	8.11	7,299	900	9.09	8,181	882	12.08%
4	4"	5,226	34.73	181,521	5,226	36.62	191,392	5,748	32.67	187,787	5,748	36.62	210,492	22,705	12.09%
5	6"	11,368	78.07	887,469	11,368	82.37	936,357	11,616	73.49	853,660	11,616	82.37	956,810	103,150	12.08%
6	8"	3,768	138.81	523,039	3,768	146.43	551,754	3,840	130.64	501,658	3,840	146.43	562,291	60,633	12.09%
7	10"	151	216.68	32,759	151	228.87	34,601	156	204.18	31,852	156	228.87	35,704	3,852	12.09%
8	12"	72	312.84	22,525	72	330.03	23,762	72	294.43	21,199	72	330.03	23,762	2,563	12.09%
9	14"	0	0.00	0	0	475.22	0	0	423.96	0	0	475.22	0	0	0.00%
10	16"	12	555.51	6,666	12	586.02	7,032	12	522.81	6,274	12	586.02	7,032	758	12.08%
11															
12															
13	Credits	1,668		11,054			11,054						0		
14	Total	37,969		$2,792,178	36,301		$2,945,169	37,224		$2,664,721	37,224		$2,986,786	$322,065	12.09%
15															
16	Volumetric Charges:														
17	First Block	6,730	$4.7305	$31,838	6,730	$5.6120	$37,771	0	$4.7305	$0	0	$5.6120	$0	$0	0.00%
18															
19															
20	**Public Fire Protection:**														
21	Public Fire Hydrants	89,778	$42.30	$3,797,309	89,778	$48.51	$4,355,131	90,024	$39.90	$3,591,958	90,024	$48.51	$4,367,064	$775,106	21.58%
22															
23		89,778		$3,797,309	89,778		$4,355,131	90,024		$3,591,958	90,024		$4,367,064	$775,106	21.58%
24															
25	Credits			33,157			33,157			0			0		
26															
27	Total Fire			$6,654,482			$7,371,228			$6,256,679			$7,353,850	$1,097,171	17.54%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
ALL CUSTOMERS EXCEPT EASTERN ROCKCASTLE AND NORTH MIDDLETOWN (Miscellaneous)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
Support\Schedule M\[KAWC 2018 Rate Case - Revenue - KY American.xlsx]Sch M

		Base Period				Base Period				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales 0	Current Rate	Total Revenue	Customer Meter Billings	Sales 0	Current Rate	Total Revenue	Customer Meter Billings	Sales 0	Current Rate	Total Revenue	Customer Meter Billings	Sales 0	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Miscellaneous:**																		
2	Minimum Charge:																		
3	5/8" Monthly	34		$13.63	$467	34		$13.63	$467	48		$13.63	$654	48		$13.63	$654	$0	0.00%
4	3/4" Monthly	0		$20.46	0	0		20.46	0	0		20.46	0	0		20.46	0	0	0.00%
5	1" Monthly	239		$34.07	8,139	239		34.07	8,139	288		34.07	9,812	288		34.07	9,812	0	0.00%
6	1-1/2" Monthly	0		$68.17	0	0		68.17	0	0		68.17	0	0		68.17	0	0	0.00%
7	2" Monthly	0		$109.04	0	0		109.04	0	0		109.04	0	0		109.04	0	0	0.00%
8	3" Monthly	165		$204.47	33,839	165		204.47	33,839	192		204.47	39,258	192		204.47	39,258	0	0.00%
9	4" Monthly	0		$340.77	0	0		340.77	0	0		340.77	0	0		340.77	0	0	0.00%
10	6" Monthly	0		$681.50	0	0		681.50	0	0		681.50	0	0		681.50	0	0	0.00%
11	8" Monthly	0		$1,090.40	0	0		1,090.40	0	0		1,090.40	0	0		1,090.40	0	0	0.00%
12	Surcharge																	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		10,863	$4.0622	$44,129		10,863	$3.3480	$36,371		3,153	$3.3480	$10,557		3,153	$3.3480	$10,557	$0	0.00%
18	Second Block		0	0.0000	0		0	0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%
19	Third Block		0	0.0000	0		0	0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%
20	Fourth Block		0	0.0000	0		0	0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%
21	Fifth Block		0	0.0000	0		0	0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%
22	Sixth Block		0	0.0000	0		0	0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%
23	Credits		(1,574)		4,402		(1,574)		4,402		0		0		0		0	0	0.00%
24																			
25	Total		9,289		$90,976		9,289		$83,218		3,153		$60,281		3,153		$60,281	$0	0.00%

Kentucky American Water Company
Forecast Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
EASTERN ROCKCASTLE

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-2
#VALUE!

		Base Period at Present Rates		Base Period at Proposed Rates		Test Year at Present Rates		Test Year at Proposed Rates			
Line #	Class/ Description	Sales ('000 Gal)	Total Revenue	Sales ('000 Gal)	Total Revenue	Sales ('000 Gal)	Total Revenue	Sales ('000 Gal)	Total Revenue	Dollar Change	Percentage Change
1	**Monthly Billing:**										
2											
3	Residential	18,661	$287,102	18,661	$198,985	19,524	$309,177	19,524	$231,937	($77,240)	-24.98%
4	Commercial	541	9,777	541	7,057	688	10,279	688	7,823	(2,456)	-23.89%
5	Industrial	0	0	0	0	0	0	0	0	0	0.00%
6	Other Public Authority	5	198	5	131	0	0	0	0	0	0.00%
7	Sale for Resale	0	0	0	0	0	0	0	0	0	0.00%
8	Private Fire Service:	0	0	0	0	0	0	0	0	0	0.00%
9	Public Fire Service	0	0	0	0	0	0	0	0	0	0.00%
10	Miscellaneous	0	0	0	0	0	0	0	0	0	0.00%
11	Other Water Revenue	0	0	0	0	0	0	0	0	0	0.00%
12	Total	19,208	$297,077	19,208	$206,173	20,213	$319,456	20,213	$239,760	($79,696)	-24.95%
13											
14	**Miscellaneous Revenues:**										
15	Other Water Revenue		$ -		$0		$0		$0	0	0.00%
16	Late Payment Fee		2,759		2,759		2,939		2,939	0	0.00%
17	Rent		0		0		0		0	0	0.00%
18	Rent I/C		0		0		0		0	0	0.00%
19	Collect for Others		0		0		0		0	0	0.00%
20	NSF Check Charge		12		12		0		0	0	0.00%
21	Application/Initiation Fee		1,512		1,512		1,736		1,736	0	0.00%
22	Usage Data		0		0		0		0	0	0.00%
23	Reconnect Fee		1,092		1,092		0		0	0	0.00%
24	Miscellaneous Service		0		0		0		0	0	0.00%
25	WW-Miscellaneous Service		0		0		0		0	0	0.00%
26	Total Other Revenue		$ 5,375		$5,375		$4,675		$4,675	$0	0.00%
27											
28	Total Revenue		$ 302,452		$211,548		$324,131		$244,435	($79,696)	-24.59%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
EASTERN ROCKCASTLE (Residential)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
#VALUE!

		Base Period at Present Rates				Base Period at Proposed Rates				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Residential:**																		
2	Minimum Charge:																		
3	5/8" Monthly	6,741		28.28	$190,628	6,741		$15.00	$101,111	7,356		$28.28	$208,028	7,356		$15.00	$110,340	($97,688)	-46.96%
4	3/4" Monthly	0		0.00	0	0		22.40	0	0		0.00	0	0		22.40	0	0	0.00%
5	1" Monthly	0		0.00	0	0		37.30	0	0		0.00	0	0		37.30	0	0	0.00%
6	1-1/2" Monthly	0		0.00	0	0		74.70	0	0		0.00	0	0		74.70	0	0	0.00%
7	2" Monthly	0		0.00	0	0		119.50	0	0		0.00	0	0		119.50	0	0	0.00%
8	3" Monthly	0		0.00	0	0		224.00	0	0		0.00	0	0		224.00	0	0	0.00%
9	4" Monthly	0		0.00	0	0		373.40	0	0		0.00	0	0		373.40	0	0	0.00%
10	6" Monthly	0		0.00	0	0		746.70	0	0		0.00	0	0		746.70	0	0	0.00%
11	8" Monthly	0		0.00	0	0		1,194.70	0	0		0.00	0	0		1,194.70	0	0	0.00%
12	Surcharge																	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		9,913	$0.0000	$0		9,913	$6.2280	$61,736		10,752	$0.0000	$0		10,752	$6.2280	$66,961	$66,961	0.00%
18	Second Block		11,380	11.53	131,209		11,380	6.2280	70,873		8,773	11.5300	101,149		8,773	6.2280	54,636	(46,513)	-45.98%
19	Third Block		0	0.00	0		0	6.2280	0		0	0.0000	0		0	6.2280	0	0	0.00%
20	Fourth Block		0	0.00	0		0	6.2280	0		0	0.0000	0		0	6.2280	0	0	0.00%
21	Fifth Block		0	0.00	0		0	6.2280	0		0	0.0000	0		0	6.2280	0	0	0.00%
22	Sixth Block		0	0.00	0		0	6.2280	0		0	0.0000	0		0	6.2280	0	0	0.00%
23	Credits		(2,631)		(34,735)		(2,631)		(34,735)				0		0		0	0	0.00%
24																			
25	Total		18,661		$287,102		18,661		$198,985		19,524		$309,177		19,524		$231,937	$ (77,240)	-24.98%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
EASTERN ROCKCASTLE (Commercial)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
#VALUE!

		Base Period at Present Rates				Base Period at Proposed Rates				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Commercial:**																		
2	Minimum Charge:																		
3	5/8" Monthly	220		$28.28	$6,217	220		$15.00	$3,297	264		$28.28	$7,466	264		$15.00	$3,960	($3,506)	-46.96%
4	3/4" Monthly	0		0.00	0	0		22.40	0	0		0.00	0	0		22.40	0	0	0.00%
5	1" Monthly	0		0.00	0	0		37.30	0	0		0.00	0	0		37.30	0	0	0.00%
6	1-1/2" Monthly	0		0.00	0	0		74.70	0	0		0.00	0	0		74.70	0	0	0.00%
7	2" Monthly	4		178.17	790	4		119.50	530	0		178.17	0	0		119.50	0	0	0.00%
8	3" Monthly	0		0.00	0	0		224.00	0	0		0.00	0	0		224.00	0	0	0.00%
9	4" Monthly	0		0.00	0	0		373.40	0	0		0.00	0	0		373.40	0	0	0.00%
10	6" Monthly	0		0.00	0	0		746.70	0	0		0.00	0	0		746.70	0	0	0.00%
11	8" Monthly	0		0.00	0	0		1,194.70	0	0		0.00	0	0		1,194.70	0	0	0.00%
12	Surcharge																	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		335	$0.0000	$0		335	$5.6120	$1,883		444	$0.0000	$0		444	$5.6120	$2,494	$2,494	0.00%
18	Second Block		240	11.5300	2,772		240	5.6120	1,349		244	11.5300	2,813		244	5.6120	1,369	(1,444)	-51.33%
19	Third Block		0	11.5300	0		0	5.6120	0		0	11.5300	0		0	5.6120	0	0	0.00%
20	Fourth Block		0	0.0000	0		0	5.6120	0		0	0.0000	0		0	5.6120	0	0	0.00%
21	Fifth Block		0	0.0000	0		0	5.6120	0		0	0.0000	0		0	5.6120	0	0	0.00%
22	Sixth Block		0	0.0000	0		0	5.6120	0		0	0.0000	0		0	5.6120	0	0	0.00%
23	Credits		(34)		(2)		(34)		(2)				0		0		0	0	0.00%
24																			
25	Total		541		$9,777		541		$7,057		688		$10,279		688		$7,823	($2,456)	-23.89%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
EASTERN ROCKCASTLE (Industrial)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
#VALUE!

		Base Period at Present Rates				Base Period at Proposed Rates				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Industrial:**																		
2	Minimum Charge:																		
3	5/8" Monthly	0		$0.00	$0	0		$15.00	$0	0		$0.00	$0	0		$15.00	$0	$0	0.00%
4	3/4" Monthly	0		0.00	0	0		22.40	0	0		0.00	0	0		22.40	0	0	0.00%
5	1" Monthly	0		0.00	0	0		37.30	0	0		0.00	0	0		37.30	0	0	0.00%
6	1-1/2" Monthly	0		0.00	0	0		74.70	0	0		0.00	0	0		74.70	0	0	0.00%
7	2" Monthly	0		0.00	0	0		119.50	0	0		0.00	0	0		119.50	0	0	0.00%
8	3" Monthly	0		0.00	0	0		224.00	0	0		0.00	0	0		224.00	0	0	0.00%
9	4" Monthly	0		0.00	0	0		373.40	0	0		0.00	0	0		373.40	0	0	0.00%
10	6" Monthly	0		0.00	0	0		746.70	0	0		0.00	0	0		746.70	0	0	0.00%
11	8" Monthly	0		0.00	0	0		1,194.70	0	0		0.00	0	0		1,194.70	0	0	0.00%
12	Surcharge																	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		0	$0.0000	$0		0	$4.6850	$0		0	$0.0000	$0		0	$4.6850	$0	$0	0.00%
18	Second Block		0	0.0000	0		0	4.6850	0		0	0.0000	0		0	4.6850	0	0	0.00%
19	Third Block		0	0.0000	0		0	4.6850	0		0	0.0000	0		0	4.6850	0	0	0.00%
20	Fourth Block		0	0.0000	0		0	4.6850	0		0	0.0000	0		0	4.6850	0	0	0.00%
21	Fifth Block		0	0.0000	0		0	4.6850	0		0	0.0000	0		0	4.6850	0	0	0.00%
22	Sixth Block		0	0.0000	0		0	4.6850	0		0	0.0000	0		0	4.6850	0	0	0.00%
23	Credits		0		0		0		0						0		0	0	0.00%
24																			
25	Total		0		$0		0		$0		0		$0		0		$0	$0	0.00%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
EASTERN ROCKCASTLE (Other Public Authority)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
#VALUE!

		Base Period at Present Rates				Base Period at Proposed Rates				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Other Public Authority:**																		
2	Minimum Charge:																		
3	5/8" Monthly	7		$28.28	$198	7		$15.00	$105	0		$0.00	$0	0		$15.00	$0	$0	0.00%
4	3/4" Monthly	0		0.00	0	0		22.40	0	0		0.00	0	0		22.40	0	0	0.00%
5	1" Monthly	0		0.00	0	0		37.30	0	0		0.00	0	0		37.30	0	0	0.00%
6	1-1/2" Monthly	0		0.00	0	0		74.70	0	0		0.00	0	0		74.70	0	0	0.00%
7	2" Monthly	0		0.00	0	0		119.50	0	0		0.00	0	0		119.50	0	0	0.00%
8	3" Monthly	0		0.00	0	0		224.00	0	0		0.00	0	0		224.00	0	0	0.00%
9	4" Monthly	0		0.00	0	0		373.40	0	0		0.00	0	0		373.40	0	0	0.00%
10	6" Monthly	0		0.00	0	0		746.70	0	0		0.00	0	0		746.70	0	0	0.00%
11	8" Monthly	0		0.00	0	0		1,194.70	0	0		0.00	0	0		1,194.70	0	0	0.00%
12	Surcharge																	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		5	$0.0000	$0		5	$5.1060	$26		0	$0.0000	$0		0	$5.1060	$0	$0	0.00%
18	Second Block		0	11.5300	0		0	5.1060	0		0	0.0000	0		0	5.1060	0	0	0.00%
19	Third Block		0	0.0000	0		0	5.1060	0		0	0.0000	0		0	5.1060	0	0	0.00%
20	Fourth Block		0	0.0000	0		0	5.1060	0		0	0.0000	0		0	5.1060	0	0	0.00%
21	Fifth Block		0	0.0000	0		0	5.1060	0		0	0.0000	0		0	5.1060	0	0	0.00%
22	Sixth Block		0	0.0000	0		0	5.1060	0		0	0.0000	0		0	5.1060	0	0	0.00%
23	Credits		0		0		0		0				0		0		0	0	0.00%
24																			
25	Total		5		$198		5		$131		0		$0		0		$0	$0	0.00%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
EASTERN ROCKCASTLE (Sale for Resale)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
#VALUE!

		Base Period at Present Rates				Base Period at Proposed Rates				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Sale for Resale:**																		
2	Minimum Charge:																		
3	5/8" Monthly	0		$0.00	$0	0		$15.00	$0	0		$0.00	$0	0		$15.00	$0	$0	0.00%
4	3/4" Monthly	0		0.00	0	0		22.40	0	0		0.00	0	0		22.40	0	0	0.00%
5	1" Monthly	0		0.00	0	0		37.30	0	0		0.00	0	0		37.30	0	0	0.00%
6	1-1/2" Monthly	0		0.00	0	0		74.70	0	0		0.00	0	0		74.70	0	0	0.00%
7	2" Monthly	0		0.00	0	0		119.50	0	0		0.00	0	0		119.50	0	0	0.00%
8	3" Monthly	0		0.00	0	0		224.00	0	0		0.00	0	0		224.00	0	0	0.00%
9	4" Monthly	0		0.00	0	0		373.40	0	0		0.00	0	0		373.40	0	0	0.00%
10	6" Monthly	0		0.00	0	0		746.70	0	0		0.00	0	0		746.70	0	0	0.00%
11	8" Monthly	0		0.00	0	0		1,194.70	0	0		0.00	0	0		1,194.70	0	0	0.00%
12	Owenton				0				0								0	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		0	$0.0000	$0		0	$4.6980	$0		0	$0.0000	$0		0	$4.6980	$0	$0	0.00%
18	Second Block		0	0.0000	0		0	4.6980	0		0	0.0000	0		0	4.6980	0	0	0.00%
19	Third Block		0	0.0000	0		0	4.6980	0		0	0.0000	0		0	4.6980	0	0	0.00%
20	Fourth Block		0	0.0000	0		0	4.6980	0		0	0.0000	0		0	4.6980	0	0	0.00%
21	Fifth Block		0	0.0000	0		0	4.6980	0		0	0.0000	0		0	4.6980	0	0	0.00%
22	Sixth Block		0	0.0000	0		0	4.6980	0		0	0.0000	0		0	4.6980	0	0	0.00%
23	SFR-Intercompany		0	0.0000	0		0	0.0000			0	0.0000	0		0				
24	Credits		0	0.0000	0		0	0.0000	0		0	0.0000	0		0		0	0	0.00%
25	Special Contract		0	0.0000	0		0	0.0000	0		0	$0.0000	0		0	0.0000	$0		
26	Total		0		$0		0		$0		0		$0		0		$0	$0	0.00%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
EASTERN ROCKCASTLE (Fire)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
#VALUE!

		Base Period at Present Rates			Base Period at Proposed Rates			Test Year at Present Rates			Test Year at Proposed Rates				
Line #	Connection Size	Number of Connections	Current Rate	Total Revenue	Number of Connections	Proposed Rate	Total Revenue	Number of Connections	Current Rate	Total Revenue	Number of Connections	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Private Fire Service:**														
2	Hydrant	0	$0.00	$0	0	$79.47	$0	0	$0.00	$0	0	$79.47	$0	$0	0.00%
3	2"	0	0.00	0	0	9.09	0	0	0.00	0	0	9.09	0	0	0.00%
4	4"	0	0.00	0	0	36.62	0	0	0.00	0	0	36.62	0	0	0.00%
5	6"	0	0.00	0	0	82.37	0	0	0.00	0	0	82.37	0	0	0.00%
6	8"	0	0.00	0	0	146.43	0	0	0.00	0	0	146.43	0	0	0.00%
7	10"	0	0.00	0	0	228.87	0	0	0.00	0	0	228.87	0	0	0.00%
8	12"	0	0.00	0	0	330.03	0	0	0.00	0	0	330.03	0	0	0.00%
9	14"	0	0.00	0	0	475.22	0	0	0.00	0	0	475.22	0	0	0.00%
10	16"	0	0.00	0	0	586.02	0	0	0.00	0	0	586.02	0	0	0.00%
11															
12															
13	Credits						0						0		
14	Total	0		$0	0		$0	0		$0	0		$0	$0	0.00%
15															
16	Volumetric Charges:														
17	First Block	0	$0.0000	$0	0	$0.0000	$0	0	$0.0000	$0	0	$0.0000	$0	$0	0.00%
18															
19															
20	**Public Fire Protection:**														
21	Public Fire Hydrants	0	$0.00	$0	0	$48.51	$0	0	$39.90	$0	0	$48.51	$0	$0	0.00%
22															
23		0		$0	0		$0	0		$0	0		$0	$0	0.00%
24															
25	Credits	0		0			0			0			0		
26															
27	Total Fire			$0			$0			$0			$0	$0	0.00%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
EASTERN ROCKCASTLE (Miscellaneous)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
#VALUE!

		Base Period				Base Period				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales 0	Current Rate	Total Revenue	Customer Meter Billings	Sales 0	Current Rate	Total Revenue	Customer Meter Billings	Sales 0	Current Rate	Total Revenue	Customer Meter Billings	Sales 0	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Miscellaneous:**																		
2	Minimum Charge:																		
3	5/8" Monthly	0		$0.00	$0	0		$0.00	$0	0		$0.00	$0	0		$0.00	$0	$0	0.00%
4	3/4" Monthly	0		0.00	0	0		0.00	0	0		0.00	0	0		0.00	0	0	0.00%
5	1" Monthly	0		0.00	0	0		0.00	0	0		0.00	0	0		0.00	0	0	0.00%
6	1-1/2" Monthly	0		0.00	0	0		0.00	0	0		0.00	0	0		0.00	0	0	0.00%
7	2" Monthly	0		0.00	0	0		0.00	0	0		0.00	0	0		0.00	0	0	0.00%
8	3" Monthly	0		0.00	0	0		0.00	0	0		0.00	0	0		0.00	0	0	0.00%
9	4" Monthly	0		0.00	0	0		0.00	0	0		0.00	0	0		0.00	0	0	0.00%
10	6" Monthly	0		0.00	0	0		0.00	0	0		0.00	0	0		0.00	0	0	0.00%
11	8" Monthly	0		0.00	0	0		0.00	0	0		0.00	0	0		0.00	0	0	0.00%
12	Surcharge																	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		0	$0.0000	$0		0	$0.0000	$0		0	$0.0000	$0		0	$0.0000	$0	$0	0.00%
18	Second Block		0	0.0000	0		0	0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%
19	Third Block		0	0.0000	0		0	0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%
20	Fourth Block		0	0.0000	0		0	0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%
21	Fifth Block		0	0.0000	0		0	0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%
22	Sixth Block		0	0.0000	0		0	0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%
23	Credits		0		0		0		0		0		0		0		0	0	0.00%
24																			
25	Total		0		$0		0		$0		0		$0		0		$0	$0	0.00%

Kentucky American Water Company
Forecast Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
NORTH MIDDLETOWN

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-2
Support\Schedule M\[KAWC 2018 Rate Case - Revenue - North Middletown BD.xlsx]Sch M

		Base Period at Present Rates		Base Period at Proposed Rates		Test Year at Present Rates		Test Year at Proposed Rates			
Line #	Class/ Description	Sales ('000 Gal)	Total Revenue	Sales ('000 Gal)	Total Revenue	Sales ('000 Gal)	Total Revenue	Sales ('000 Gal)	Total Revenue	Dollar Change	Percentage Change
1	**Monthly Billing:**										
2											
3	Residential	0	$0	0	$0	17,691	$250,158	17,691	$180,203	($69,955)	-27.96%
4	Commercial	0	0	0	0	1,313	22,553	1,313	23,145	592	2.62%
5	Industrial	0	0	0	0	0	0	0	0	0	0.00%
6	Other Public Authority	0	0	0	0	0	0	0	0	0	0.00%
7	Sale for Resale	0	0	0	0	37,074	169,772	37,074	178,653	8,881	5.23%
8	Private Fire Service:	0	0	0	0	0	0	0	0	0	0.00%
9	Public Fire Service	0	0	0	0	0	19,152	0	23,285	4,133	21.58%
10	Miscellaneous	0	0	0	0	0	0	0	0	0	0.00%
11	Other Water Revenue	0	0	0	0	0	0	0	0	0	0.00%
12	Total	0	$0	0	$0	56,079	$461,635	56,079	$405,286	($56,349)	-12.21%
13											
14	**Miscellaneous Revenues:**										
15	Other Water Revenue		$ -		$0		$0		$0	0	0.00%
16	Late Payment Fee		0		0		0		0	0	0.00%
17	Rent		0		0		0		0	0	0.00%
18	Rent I/C		0		0		0		0	0	0.00%
19	Collect for Others		0		0		0		0	0	0.00%
20	NSF Check Charge		0		0		0		0	0	0.00%
21	Application/Initiation Fee		0		0		0		0	0	0.00%
22	Usage Data		0		0		0		0	0	0.00%
23	Reconnect Fee		0		0		0		0	0	0.00%
24	Miscellaneous Service		0		0		0		0	0	0.00%
25	WW-Miscellaneous Service		0		0		0		0	0	0.00%
26	Total Other Revenue		$ -		$0		$0		$0	$0	0.00%
27											
28	Total Revenue		$ -		$0		$461,635		$405,286	($56,349)	-12.21%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
NORTH MIDDLETOWN (Residential)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
Support\Schedule M\[KAWC 2018 Rate Case - Revenue - North Middletown BD.xlsx]Sch M

		Base Period at Present Rates				Base Period at Proposed Rates				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Residential:**																		
2	Minimum Charge:																		
3	5/8" Monthly	0		$0.00	$0	0		$15.00	$0	4,668		$31.52	$147,135	4,668		$15.00	$70,020	($77,115)	-52.41%
4	3/4" Monthly	0		0.00	0	0		22.40	0	0		0.00	0	0		22.40	0	0	0.00%
5	1" Monthly	0		0.00	0	0		37.30	0	0		0.00	0	0		37.30	0	0	0.00%
6	1-1/2" Monthly	0		0.00	0	0		74.70	0	0		0.00	0	0		74.70	0	0	0.00%
7	2" Monthly	0		0.00	0	0		119.50	0	0		0.00	0	0		119.50	0	0	0.00%
8	3" Monthly	0		0.00	0	0		224.00	0	0		0.00	0	0		224.00	0	0	0.00%
9	4" Monthly	0		0.00	0	0		373.40	0	0		0.00	0	0		373.40	0	0	0.00%
10	6" Monthly	0		0.00	0	0		746.70	0	0		0.00	0	0		746.70	0	0	0.00%
11	8" Monthly	0		0.00	0	0		1,194.70	0	0		0.00	0	0		1,194.70	0	0	0.00%
12	Surcharge																	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		0	$0.0000	$0		0	$6.2280	$0		9,336	$0.0000	$0		9,336	$6.2280	$58,145	$58,145	0.00%
18	Second Block		0	12.3300	0		0	6.2280	0		8,355	12.3300	103,023		8,355	6.2280	52,038	(50,985)	-49.49%
19	Third Block		0	11.0700	0		0	6.2280	0		0	11.0700	0		0	6.2280	0	0	0.00%
20	Fourth Block		0	9.4800	0		0	6.2280	0		0	9.4800	0		0	6.2280	0	0	0.00%
21	Fifth Block		0	0.0000	0		0	6.2280	0		0	0.0000	0		0	6.2280	0	0	0.00%
22	Sixth Block		0	0.0000	0		0	6.2280	0		0	0.0000	0		0	6.2280	0	0	0.00%
23	Credits		0		0		0		0				0		0		0	0	0.00%
24																			
25	Total		0		$0		0		$0		17,691		$250,158		17,691		$180,203	($69,955)	-27.96%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
NORTH MIDDLETOWN (Commercial)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
Support\Schedule M\[KAWC 2018 Rate Case - Revenue - North Middletown BD.xlsx]Sch M

		Base Period at Present Rates				Base Period at Proposed Rates				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Commercial:**																		
2	Minimum Charge:																		
3	5/8" Monthly	0		$28.79	$0	0		$15.00	$0	0		$28.79	$0	0		$15.00	$0	$0	0.00%
4	3/4" Monthly	0		0.00	0	0		22.40	0	0		0.00	0	0		22.40	0	0	0.00%
5	1" Monthly	0		0.00	0	0		37.30	0	0		0.00	0	0		37.30	0	0	0.00%
6	1-1/2" Monthly	0		0.00	0	0		74.70	0	0		0.00	0	0		74.70	0	0	0.00%
7	2" Monthly	0		28.79	0	0		119.50	0	132		28.79	3,800	132		119.50	15,774	11,974	315.11%
8	3" Monthly	0		0.00	0	0		224.00	0	0		0.00	0	0		224.00	0	0	0.00%
9	4" Monthly	0		0.00	0	0		373.40	0	0		0.00	0	0		373.40	0	0	0.00%
10	6" Monthly	0		0.00	0	0		746.70	0	0		0.00	0	0		746.70	0	0	0.00%
11	8" Monthly	0		0.00	0	0		1,194.70	0	0		0.00	0	0		1,194.70	0	0	0.00%
12	Surcharge																	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		0	$0.0000	$0		0	$5.6120	$0		264	$0.0000	$0		264	$5.6120	$1,482	$1,482	0.00%
18	Second Block		0	17.8700	0		0	5.6120	0		396	17.8700	7,077		396	5.6120	2,222	(4,855)	-68.60%
19	Third Block		0	17.8700	0		0	5.6120	0		653	17.8700	11,676		653	5.6120	3,667	(8,009)	-68.59%
20	Fourth Block		0	17.8700	0		0	5.6120	0		0	17.8700	0		0	5.6120	0	0	0.00%
21	Fifth Block		0	0.0000	0		0	5.6120	0		0	0.0000	0		0	5.6120	0	0	0.00%
22	Sixth Block		0	0.0000	0		0	5.6120	0		0	0.0000	0		0	5.6120	0	0	0.00%
23	Credits		0		0		0		0				0		0		0	0	0.00%
24																			
25	Total		0		$0		0		$0		1,313		$22,553		1,313		$23,145	$592	2.62%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
NORTH MIDDLETOWN (Industrial)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
Support\Schedule M\[KAWC 2018 Rate Case - Revenue - North Middletown BD.xlsx]Sch M

		Base Period at Present Rates				Base Period at Proposed Rates				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Industrial:**																		
2	Minimum Charge:																		
3	5/8" Monthly	0		$0.00	$0	0		$15.00	$0	0		$0.00	$0	0		$15.00	$0	$0	0.00%
4	3/4" Monthly	0		0.00	0	0		22.40	0	0		0.00	0	0		22.40	0	0	0.00%
5	1" Monthly	0		0.00	0	0		37.30	0	0		0.00	0	0		37.30	0	0	0.00%
6	1-1/2" Monthly	0		0.00	0	0		74.70	0	0		0.00	0	0		74.70	0	0	0.00%
7	2" Monthly	0		0.00	0	0		119.50	0	0		0.00	0	0		119.50	0	0	0.00%
8	3" Monthly	0		0.00	0	0		224.00	0	0		0.00	0	0		224.00	0	0	0.00%
9	4" Monthly	0		0.00	0	0		373.40	0	0		0.00	0	0		373.40	0	0	0.00%
10	6" Monthly	0		0.00	0	0		746.70	0	0		0.00	0	0		746.70	0	0	0.00%
11	8" Monthly	0		0.00	0	0		1,194.70	0	0		0.00	0	0		1,194.70	0	0	0.00%
12	Surcharge																	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		0	$0.0000	$0		0	$4.6850	$0		0	$0.0000	$0		0	$4.6850	$0	$0	0.00%
18	Second Block		0	0.0000	0		0	4.6850	0		0	0.0000	0		0	4.6850	0	0	0.00%
19	Third Block		0	0.0000	0		0	4.6850	0		0	0.0000	0		0	4.6850	0	0	0.00%
20	Fourth Block		0	0.0000	0		0	4.6850	0		0	0.0000	0		0	4.6850	0	0	0.00%
21	Fifth Block		0	0.0000	0		0	4.6850	0		0	0.0000	0		0	4.6850	0	0	0.00%
22	Sixth Block		0	0.0000	0		0	4.6850	0		0	0.0000	0		0	4.6850	0	0	0.00%
23	Credits		0		0		0		0						0		0	0	0.00%
24																			
25	Total		0		$0		0		$0		0		$0		0		$0	$0	0.00%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
NORTH MIDDLETOWN (Other Public Authority)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
Support\Schedule M\[KAWC 2018 Rate Case - Revenue - North Middletown BD.xlsx]Sch M

		Base Period at Present Rates				Base Period at Proposed Rates				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Other Public Authority:**																		
2	Minimum Charge:																		
3	5/8" Monthly	0		$0.00	$0	0		$15.00	$0	0		$0.00	$0	0		$15.00	$0	$0	0.00%
4	3/4" Monthly	0		0.00	0	0		22.40	0	0		0.00	0	0		22.40	0	0	0.00%
5	1" Monthly	0		0.00	0	0		37.30	0	0		0.00	0	0		37.30	0	0	0.00%
6	1-1/2" Monthly	0		0.00	0	0		74.70	0	0		0.00	0	0		74.70	0	0	0.00%
7	2" Monthly	0		0.00	0	0		119.50	0	0		0.00	0	0		119.50	0	0	0.00%
8	3" Monthly	0		0.00	0	0		224.00	0	0		0.00	0	0		224.00	0	0	0.00%
9	4" Monthly	0		0.00	0	0		373.40	0	0		0.00	0	0		373.40	0	0	0.00%
10	6" Monthly	0		0.00	0	0		746.70	0	0		0.00	0	0		746.70	0	0	0.00%
11	8" Monthly	0		0.00	0	0		1,194.70	0	0		0.00	0	0		1,194.70	0	0	0.00%
12	Surcharge																	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		0	$0.0000	$0		0	$5.1060	$0		0	$0.0000	$0		0	$5.1060	$0	$0	0.00%
18	Second Block		0	0.0000	0		0	5.1060	0		0	0.0000	0		0	5.1060	0	0	0.00%
19	Third Block		0	0.0000	0		0	5.1060	0		0	0.0000	0		0	5.1060	0	0	0.00%
20	Fourth Block		0	0.0000	0		0	5.1060	0		0	0.0000	0		0	5.1060	0	0	0.00%
21	Fifth Block		0	0.0000	0		0	5.1060	0		0	0.0000	0		0	5.1060	0	0	0.00%
22	Sixth Block		0	0.0000	0		0	5.1060	0		0	0.0000	0		0	5.1060	0	0	0.00%
23	Credits		0		0		0		0				0		0		0	0	0.00%
24																			
25	Total		0		$0		0		$0		0		$0		0		$0	$0	0.00%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
NORTH MIDDLETOWN (Sale for Resale)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
Support\Schedule M\[KAWC 2018 Rate Case - Revenue - North Middletown BD.xlsx]Sch M

		Base Period at Present Rates				Base Period at Proposed Rates				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Current Rate	Total Revenue	Customer Meter Billings	Sales ('000 Gal)	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Sale for Resale:**																		
2	Minimum Charge:																		
3	5/8" Monthly	0		$28.79	$0	0		$15.00	$0	0		$28.79	$0	0		$15.00	$0	$0	0.00%
4	3/4" Monthly	0		0.00	0	0		22.40	0	0		0.00	0	0		22.40	0	0	0.00%
5	1" Monthly	0		0.00	0	0		37.30	0	0		0.00	0	0		37.30	0	0	0.00%
6	1-1/2" Monthly	0		0.00	0	0		74.70	0	0		0.00	0	0		74.70	0	0	0.00%
7	2" Monthly	0		0.00	0	0		119.50	0	0		0.00	0	0		119.50	0	0	0.00%
8	3" Monthly	0		0.00	0	0		224.00	0	0		0.00	0	0		224.00	0	0	0.00%
9	4" Monthly	0		28.79	0	0		373.40	0	12		28.79	345	12		373.40	4,481	4,136	1198.84%
10	6" Monthly	0		0.00	0	0		746.70	0	0		0.00	0	0		746.70	0	0	0.00%
11	8" Monthly	0		0.00	0	0		1,194.70	0	0		0.00	0	0		1,194.70	0	0	0.00%
12	Owenton				0				0				0				0	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		0	$4.5700	$0		0	$4.6980	$0		37,074	$4.5700	$169,427		37,074	$4.6980	$174,172	$4,745	2.80%
18	Second Block		0	4.5700	0		0	4.6980	0		0	4.5700	0		0	4.6980	0	0	0.00%
19	Third Block		0	4.5700	0		0	4.6980	0		0	4.5700	0		0	4.6980	0	0	0.00%
20	Fourth Block		0	4.5700	0		0	4.6980	0		0	4.5700	0		0	4.6980	0	0	0.00%
21	Fifth Block		0	4.5700	0		0	4.6980	0		0	4.5700	0		0	4.6980	0	0	0.00%
22	Sixth Block		0	0.0000	0		0	4.6980	0		0	0.0000	0		0	4.6980	0	0	0.00%
23	SFR-Intercompany				0		0				0	0.0000	0		0				
24	Credits				0		0		0		0	0.0000	0		0		0	0	0.00%
25	Special Contract				0		0	0.0000	0		0	0.0000	$0		0	0.0000	$0		
26	Total		0		$0		0		$0		37,074		$169,772		37,074		$178,653	$8,881	5.23%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
NORTH MIDDLETOWN (Fire)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
Support\Schedule M\[KAWC 2018 Rate Case - Revenue - North Middletown BD.xlsx]Sch M

		Base Period at Present Rates			Base Period at Proposed Rates			Test Year at Present Rates			Test Year at Proposed Rates				
Line #	Connection Size	Number of Connections	Current Rate	Total Revenue	Number of Connections	Proposed Rate	Total Revenue	Number of Connections	Current Rate	Total Revenue	Number of Connections	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Private Fire Service:**														
2	Hydrant	0	$0.00	$0	0	$79.47	$0	0	$70.90	$0	0	$79.47	$0	$0	0.00%
3	2"	0	0.00	0	0	$9.09	0	0	8.11	0	0	9.09	0	0	0.00%
4	4"	0	0.00	0	0	$36.62	0	0	32.67	0	0	36.62	0	0	0.00%
5	6"	0	0.00	0	0	$82.37	0	0	73.49	0	0	82.37	0	0	0.00%
6	8"	0	0.00	0	0	$146.43	0	0	130.64	0	0	146.43	0	0	0.00%
7	10"	0	0.00	0	0	$228.87	0	0	204.18	0	0	228.87	0	0	0.00%
8	12"	0	0.00	0	0	$330.03	0	0	294.43	0	0	330.03	0	0	0.00%
9	14"	0	0.00	0	0	$475.22	0	0	423.96	0	0	475.22	0	0	0.00%
10	16"	0	0.00	0	0	$586.02	0	0	522.81	0	0	586.02	0	0	0.00%
11															
12															
13	Credits						0						0		
14	Total	0		$0	0		$0	0		$0	0		$0	$0	0.00%
15															
16	Volumetric Charges:														
17	First Block	0	$0.0000	$0	0	$0.0000	$0	0	$0.0000	$0	0	$0.0000	$0	$0	0.00%
18															
19															
20	**Public Fire Protection:**														
21	Public Fire Hydrants	0	$0.00	$0	0	$48.51	$0	480	$39.90	$19,152	480	$48.51	$23,285	$4,133	21.58%
22															
23		0		$0	0		$0	480		$19,152	480		$23,285	$4,133	21.58%
24															
25	Credits	0		0			0			0			0		
26															
27	Total Fire			$0			$0			$19,152			$23,285	$4,133	21.58%

Kentucky American Water Company
Test Year Operating Revenues at Present Rates vs Proposed Rates
Case No. 2018-00358
Base Year for the 12 Months Ended February 28, 2019 and Forecast Year for the 12 Months Ended June 30, 2020
NORTH MIDDLETOWN (Miscellaneous)

Witness Responsible: Melissa Schwarzell

Exhibit 37, Schedule M-3
Support\Schedule M\[KAWC 2018 Rate Case - Revenue - North Middletown BD.xlsx]Sch M

		Base Period				Base Period				Test Year at Present Rates				Test Year at Proposed Rates					
Line #	Class/ Description	Customer Meter Billings	Sales 0	Current Rate	Total Revenue	Customer Meter Billings	Sales 0	Current Rate	Total Revenue	Customer Meter Billings	Sales 0	Current Rate	Total Revenue	Customer Meter Billings	Sales 0	Proposed Rate	Total Revenue	Dollar Change	Percentage Change
1	**Miscellaneous:**																		
2	Minimum Charge:																		
3	5/8" Monthly	0		$0.00	$0	0		$0.00	$0	0		$0.00	$0	0		$0.00	$0	$0	0.00%
4	3/4" Monthly	0		$0.00	0	0		0.00	0	0		0.00	0	0		0.00	0	0	0.00%
5	1" Monthly	0		$0.00	0	0		0.00	0	0		0.00	0	0		0.00	0	0	0.00%
6	1-1/2" Monthly	0		$0.00	0	0		0.00	0	0		0.00	0	0		0.00	0	0	0.00%
7	2" Monthly	0		$0.00	0	0		0.00	0	0		0.00	0	0		0.00	0	0	0.00%
8	3" Monthly	0		$0.00	0	0		0.00	0	0		0.00	0	0		0.00	0	0	0.00%
9	4" Monthly	0		$0.00	0	0		0.00	0	0		0.00	0	0		0.00	0	0	0.00%
10	6" Monthly	0		$0.00	0	0		0.00	0	0		0.00	0	0		0.00	0	0	0.00%
11	8" Monthly	0		$0.00	0	0		0.00	0	0		0.00	0	0		0.00	0	0	0.00%
12	Surcharge																	0	0.00%
13																			
14																			
15																			
16	Volumetric Charges:																		
17	First Block		0	$0.0000	$0		0	$3.3480	$0		0	$3.3480	$0		0	$3.3480	$0	$0	0.00%
18	Second Block		0	0.0000	0		0	0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%
19	Third Block		0	0.0000	0		0	0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%
20	Fourth Block		0	0.0000	0		0	0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%
21	Fifth Block		0	0.0000	0		0	0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%
22	Sixth Block		0	0.0000	0		0	0.0000	0		0	0.0000	0		0	0.0000	0	0	0.00%
23	Credits		0		0		0		0		0		0		0		0	0	0.00%
24																			
25	Total		0		$0		0		$0		0		$0		0		$0	$0	0.00%

WITNESS: John R. Wilde

8. Provide a schedule in Excel format, with all formulas intact and cells unprotected, with the calculations of the revenue requirement impacts of the below. The spreadsheets should separately show the rate base and income tax expense impacts of the adjustments.

   a. The grossed-up excess Accumulated Deferred Income Taxes (ADIT) Stub Period State and Federal amortization of ($385,857);
   b. The excess ADIT State Amortization of ($109,927); and
   c. The excess ADIT Federal Amortization of ($717,057). For excess ADIT Federal adjustments, separate the adjustments into protected, repairs reduction protected and unprotected.

Response:

Please see attached Excel file (KAW_R_PSCPHDR_NUM008_052419 Attachment) for the rate base and income tax expense impacts of a, b & c above. Also, for item c, the attachment shows a breakdown of the federal amortization by protected, protected repairs and unprotected.

KENTUCKY-AMERICAN WATER COMPANY
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COMMISSION STAFF POST HEARING REQUEST FOR INFORMATION

WITNESS: John R. Wilde

9. Provide a schedule showing the entries that reflect how Kentucky-American records Federal and State ADIT. The schedule should be in Excel format, with all formulas intact and cells unprotected.

Response:

Please see attached Excel file (KAW_R_PSCPHDR_NUM009_052419 Attachment).

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2018-00358
COMMISSION STAFF POST HEARING REQUEST FOR INFORMATION

WITNESS: Kurt Kogler

10. Concerning the defined benefit plan, which was closed for participation by employees hired on January 1, 2006, explain the management philosophy for allowing non-union employees in the defined benefit plan to continue to accrue benefits but froze benefits for union employees, who do not continue to accrue benefits.

Response:

The defined benefit (pension) plan was closed for participation by employees hired on or after January 1, 2006. Non-union employees hired prior to that date continue to accrue benefits under the defined benefit plan. Union employees hired prior to January 1, 2001 also continue to accrue benefits under the defined benefit plan. The benefits of those union employees who were hired between January 1, 2001 and December 31, 2005 were frozen as of December 31, 2005.

The freeze on retirement benefits for union employees hired between January 1, 2001 and December 31, 2005 was the result of labor negotiations. The freeze of union retirement benefits was negotiated at a time when the Company was also pursuing changes to retiree medical benefits for both union and non-union employees. As a result of those changes, non-union employees hired after 2001 are not eligible for retiree medical benefits. However, unions negotiated to keep retiree medical benefits for those union employees hired through the end of 2005; in order to secure the Company's agreement to provide retiree medical benefits through 2005, unions agreed to the freezing of pension benefits for union employees hired during the period 2001 through 2005.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2018-00358
COMMISSION STAFF POST HEARING REQUEST FOR INFORMATION

WITNESS: Brent E. O'Neill/Nick O. Rowe

11. Provide a schedule with the total amount of discretionary funds made available by American Water Works Company, Inc. (American Water), to its subsidiaries for the past five years and indicate what percentage of the American Water discretionary fund pool that Kentucky-American received.

Response:

Over the past five years, American Water has invested over $6 billion in the regulated system, and it is estimated that over half of this amount is discretionary capital investment. The largest category of discretionary capital is associated with asset renewal investments that can be deferred.

A portion of these funds have been allocated to Kentucky over the past five years, reducing the Company's main replacement rate from a 500 to a 377 year replacement rate, which is not yet optimal. Additionally, there is substantial investment within the Company's production and distribution system which remains to be addressed, and the ability to attract more of this discretionary capital will allow the Company to accelerate these investments. Without a QIP mechanism, the Company is at a significant disadvantage for attracting this capital, given that virtually all peer companies within the American Water system can recover infrastructure renewal investments between rate cases. Indeed, as shown in the table below, Kentucky is receiving a diminishing portion of asset renewal investment within American Water, only receiving about 2% of funds recently, despite Kentucky's representing approximately 4% of the customer base (133,000 customers out of 3.382 million customers).

Asset renewal investments that can be deferred			
Year	American Water Investment (in millions)	Funds Received by Kentucky American Water (in millions)	Percentage of Funds Received by Kentucky American Water
2014	$555	$12	2.16%
2015	$688	$24	3.49%
2016	$740	$15	2.03%
2017	$723	$14	1.94%
2018	$735	$14	1.91%
Total	**$3,441**	**$79**	

On a secondary basis, there are investment funds which sometimes become available during the year for a variety of reasons. Below, please find a schedule representing the amount of additional capital that was approved for redeployment to American Water subsidiaries in addition to the amounts previously approved under the subsidiary's Strategic Capital Expenditure Plans. The information has been tracked since 2016, and so it is provided for the years since then.

American Water Approved Capital Program Changes			
Year	Approved Funds Made Available (in millions)	Funds Received by Kentucky American Water	Percentage of Funds Received by Kentucky American Water
2016	$29 M	$0	0%
2017	$152 M	$0	0%
2018	$39 M	$0	0%
2019*	$4 M	$0	0%
Total	**$224 M**	**$0**	**0%**

*Note: As of April 2019

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2018-00358
COMMISSION STAFF POST HEARING REQUEST FOR INFORMATION

WITNESS: Brent E. O'Neill

12. Provide American Water's system-wide water loss, indicating the water loss rate by state and the system average for the past five years.

Response:

Please see KAW_R_PSCPHDR_NUM012_Attachment. Due to availability of information from other subsidiaries, the calculations for this response is non-revenue water (water sales divided by system delivery) not unaccounted for water. It does not include the breakout of Other Water Used which 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.

American Water Non Revenue Water (Water Loss)
5 Years View by State 2014-2018

	2014	2015	2016	2017
Indiana American Water	20.15%	20.68%	21.04%	19.56%
Iowa American Water	16.57%	15.28%	15.73%	15.76%
Kentucky American Water	15.81%	14.98%	16.80%	19.80%
Maryland American Water	18.24%	14.27%	14.73%	16.30%
California American Water	3.19%	3.51%	7.42%	7.89%
Missouri American Water	22.36%	21.49%	22.89%	21.42%
New Jersey American Water	15.11%	16.75%	17.27%	17.30%
Pennsylvania American Water	32.76%	32.96%	33.41%	31.77%
Illinois American Water	18.55%	19.66%	18.53%	16.79%
Tennessee American Water	24.33%	23.55%	26.77%	25.94%
Virginia American Water	4.32%	5.66%	4.32%	3.44%
West Virginia American Water	37.23%	33.88%	34.02%	35.64%
New York American Water	14.43%	12.85%	10.67%	9.51%
Total American Water	**20.02%**	**20.33%**	**20.86%**	**20.05%**

2018
18.21%
18.33%
21.15%
11.35%
6.69%
21.68%
18.97%
34.47%
18.27%
28.43%
14.87%
35.69%
10.49%
21.51%

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2018-00358
COMMISSION STAFF POST HEARING REQUEST FOR INFORMATION

WITNESS: Susan L. Lancho

13. For the program year ending in September 2018, provide the number of applicants who applied for bill payment assistance through the H2O bill payment assistance program, the number of applicants who were eligible for assistance, and the number of eligible applicants who received funds.

Response:

For the program year ending in September 2018, there were 717 applicants who requested assistance through the H20 bill payment assistance program, of which 706 were eligible and received assistance. The program does not capture the number of customers who inquire about assistance when funds are not available, so we do not have this data for the brief period in that program year when funds were depleted.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2018-00358
COMMISSION STAFF POST HEARING REQUEST FOR INFORMATION

WITNESS: Susan L. Lancho

14. Provide a copy of the agreement between Kentucky-American and Dollar Energy Fund to administer the H2O program.

Response:

Please see KAW_R_PSCPHDR_NUM014_052419_Attachment 1 and KAW_R_PSCPHDR_NUM014_052419_Attachment 2 for the 2018-2019 program year agreement between Kentucky-American and Dollar Energy Fund, as well as an amendment made to that agreement.

Dollar Energy Fund, Inc.
Box 42329
Pittsburgh, PA 15203

DOLLAR ENERGY FUND

LETTER OF AGREEMENT

Kentucky Utility Assistance Program

Kentucky American Water

Ms. Amy Caudill
Customer Advocacy Superintendent
Kentucky American Water
2300 Richmond Road
Lexington, KY 40502

2018-2019

Table of Contents

General Information

This letter of agreement made between the **Dollar Energy Fund, Inc.** (Dollar Energy) and **Kentucky American Water** (the Company) sets forth the operating parameters of the Dollar Energy Fund Kentucky Utility Assistance Program (Hardship Program) for the 2018-2019 program year (October 1, 2018, to September 30, 2019)

As described below, both parties will abide by the parameters described and will only deviate from these parameters by mutual agreement confirmed in writing. The written communication should be directed to the individual whose signature appears on this document and should be sent to the following address:

If to Company:

Ms. Amy Caudill
Customer Advocacy Superintendent
Kentucky American Water
2300 Richmond Road
Lexington, KY 40502

If to Dollar Energy Fund:

Nick Meddis, CFO
Dollar Energy Fund, Inc.
P.O. Box 42329
Pittsburgh, PA 15203

Program Administrator's Role

In conjunction with the Company, Dollar Energy will manage and administer all phases of the Hardship Program in order to provide utility grant assistance to Company customers who meet grant guidelines.

Dollar Energy is responsible for administration of the application process, general guideline development, application and data management, reporting, training, education, and outreach. In addition, Dollar Energy will conduct fundraising efforts to raise additional funds for the Hardship Program in conjunction with the efforts provided by the Company.

Application Process

Dollar Energy will act as the primary agent for the gathering, processing and approving applications for the Hardship Program.

Program Guidelines

Dollar Energy has established a basic set of Hardship Program guidelines by which the Company's customers qualify for assistance. All utility companies are required to select the guideline options that best meet their program needs on an annual basis. The Hardship Program Guidelines used by the Company during the 2017-2018 program year are highlighted in the attached ***Exhibit A*** document. You may elect to retain these program guidelines, as outlined in ***Exhibit A***, or change the guidelines for the upcoming year by completing ***Exhibit B***.

Application and Data Management

The Company is granted access to Dollar Energy's *iPartner© Grant Management System* to review information regarding fund balances, application processing, application status and standard reports. Access to iPartner© is granted only to named users.

It will be the responsibility of Dollar Energy to continue to maintain and upgrade the *iPartner© Grant Management System*. Dollar Energy will also provide and govern system access to all other parties involved in the application process.

Dollar Energy will take all necessary steps to hold non-public customer information and Company information in strict confidence. No information will be released or disclosed to any third party without the express written consent of the party(ies) involved. Dollar Energy will treat non-public information collected from applicants and the Company with the highest level of security at its disposal in order to prevent any improper or unauthorized use of the information.

Reporting

Reports will be available on all application and grant activities through standard reporting procedures. This will be done through the standard set of reports available through the use of the iPartner© system.

The Company may request reports other the standard iPartner© reports. Additional fees may be associated with the production of additional reports. Fees for additional reports will be negotiated on a per case basis.

Public Education and Outreach

Dollar Energy will provide public education about the program through public service announcements, press releases, community speaking engagements, networking and other methods deemed effective in alerting the public about the availability of the program as well as how the community can contribute to the Hardship Program.

Community Based Organizations Network

Dollar Energy will manage and train a Network of Community Based Organizations (CBOs). This training and administration will entail:

- quality assurance activities to ensure proper administration of applications. This will include an annual audit of client files and intake procedures.
- consistent updates on relevant state and federal program and utility programs
- annual training and as needed training on program guidelines
- annual feedback sessions with CBO representatives to gain insights on program changes and improvements.
- needs assessments, in conjunction with the Company, to determine accessibility of the program to customers. When and where necessary, Dollar Energy will recruit, train and manage new CBOs.
- consulting with agencies on problem solving and other related management issues.
- Referral to LIHEAP, Crisis and other information and referral activities

Electronic Funds Transfer of Grants to the Company

As an integral part of the basic Hardship Program management, Dollar Energy will make available the option to execute Electronic Funds Transfer (EFT) for the accounting of Hardship Program grants and credits to customer accounts. There are two options available to the Company to enact EFT. (An EFT worksheet will be provided upon request). Any programming to the EFT process outside of the normal scope may result in an extra charge to the Company.

Fundraising Efforts

Dollar Energy Fund, Inc. is a 501(c) (3) non-profit organization and is chartered as a charitable organization in all states in which we are conducting fundraising activities. Dollar Energy complies with all regulations and statutes governing non-profit organizations and maintains registrations with all government bodies as required.

Dollar Energy will make all due efforts to raise funds for the program through a variety of measures including but not limited to the Add a Buck program, special events, direct appeals, grant funding, and membership drives.

Allocation of Funds Raised by Dollar Energy

Prior to the start of the program year, Dollar Energy projects the amount of money it believes it will be able to raise for the Hardship Program during the program year. A portion of these funds may be added to the pool of grant funds available to the Company's customers. This decision will be based on a formula using the following factors:

- Customer contributions
- Company matching contributions
- Other Company funds committed to the Hardship Program
- Operating funds for program administration
- Company donated facilities, equipment, materials
- Proceeds from company sponsored fundraising events
- Other programs or service contracted between the Company and Dollar Energy (gross annual receipts)
- Miscellaneous Company contributions to Dollar Energy

Allocations of the Dollar Energy funds will also consider the ability of the company to match any funds raised by Dollar Energy. Should the Company not be able to provide matching funds towards this amount, the Dollar Energy raised funds may not be made available to the Company absent of a match. Allocations of Dollar Energy funds are subject to change based on changes in overall Hardship Program funding. Throughout the year, Dollar Energy will make every effort to match all available company matching funds.

The amount of funding available to the Company is estimated in the Financing Worksheet on page 10.

The Company's Role

Collection of Customer Donations

The Company will provide the mechanism for the collection, accounting and reporting of customer donations garnered through the use of utility bill check-offs or other measures used to collect funds for the Hardship Program. At least monthly, the company will remit to Dollar Energy the entire amount of customer donations gathered from the previous period.

The Add a Buck Program

The Company will institute a bill check off system that allows each customer to elect to give at least one dollar per month to Dollar Energy. In order to maintain and recruit new Add a Buck donors, the Company will provide a minimum of 2 bill inserts or other similar customer communications during the program year promoting the Dollar Energy and asking customers to financially support Dollar Energy through the program. Dollar Energy's experience shows these inserts to be most effective when delivered to customers between September and March.

The support from the Add A Buck donors is the most consistent and reliable source of funding for the program. The Company is asked to assist in these efforts by holding at least one public opportunity to raise additional awareness for the Hardship Program. Dollar Energy will provide resources and technical assistance as needed for these activities.

On Line Bill Payment Initiative

Customers who receive and pay their utility bills online are more likely to miss Dollar Energy Hardship Program appeals ordinarily mailed with monthly bills. Dollar Energy Fund has created a donor portal available at www.dollarenergyfund.org. If the company currently does not have the ability for customers who desire to pledge funds to the program on a monthly basis electronically, the Company is encouraged to direct customers to the donor portal.

Company Fundraising

The Company is encouraged to raise additional funds for its low income customers by organizing a fundraising event. Funds raised through these efforts are reserved solely for the grant activities of customers of the Company.

Operating Costs

The Company will provide operating funds to cover the management costs of the Hardship Program. The operating funds are comprised of 2 components, operating funds and Community Based Organization (CBO) fees.

Operating funds cover the following expenses and activities of the Hardship Program:

- executive oversight
- accounting
- human resource management
- fundraising and public relations
- access to iPartner©
- technology management
- staff supervision
- Hardship Program coordinators CBO management and training
- material production and distribution
- CBO remuneration and accounting
- utility training and communications
- advertising and promotion
- audit
- insurance

- office supplies and equipment
- postage
- printing and copying
- rent
- utilities
- telephone
- travel
- contracted services
- miscellaneous expense

Company Funding and Financial Worksheets

By answering the following questions, we can manage the Hardship Program in a manner that best fits your needs and expectations. Please complete the funding worksheet and financial summary worksheet, then sign the agreement.

Funding Worksheet

Please answer the following questions so that we can manage the Hardship Program in a manner that best fits your needs and expectations:

1) Will company funding for grants be transferred to Dollar Energy for cash management.

X Yes ____No

2) Does the company intend to use Electronic Funds Transfer (EFT) to receive grant payments for customer accounts.

_____ Yes X No

If yes, and EFT has not been used in previous years, please provide a name and phone number of the person at your company responsible for coordinating this effort.

Name: ______________________________ Phone number: ______________________________

3) Can company contributions that are not matched by customer contributions or Dollar Energy contributions be used unmatched.

X Yes ____ No

4) If any company contributions remain at the end of the fiscal year would you like the funds to be: X rolled over to next year's program ____ returned to company (please check one)

Program Guidelines

Does the company have changes to the proposed program guidelines (outlined on Exhibit A).

_____ Yes X No

If yes, circle tailoring options on Exhibit B and return the document to Dollar Energy Fund. Sign below to verify the changes.

Signed: Amy Caudill Date: 10.9.2018

Kentucky American Water Company

FINANCIAL SUMMARY

2017-2018 Program Year

1	Company Funding for Grants **(does not include prior year rollover)**	$52,686
2	Customer Contribution (projected)	$300
3	DEF Fundraising Contribution (projected)	$0
4	**Grants to Low Income Customers of Your Company**	**$52,986**
	Operating Fee Rate	8.75%
5	Operating Fee owed	$4,636
	Company Prepaid Operating Fee	$4,881
	Operating Fee (credited) Owed	**($245)**
6	Number of Applications	493
	Agency Renumeration Rate	$5
7	Agency Fee owed	$2,465
	Company Prepaid Agency Fee	$2,698
	Agency Fee (credited) Owed	**($233)**
	Balance due or (credit) towards 2018-2019	**($478)**

2018-2019 FUNDING

Please complete lines **2,5,6,8,9**

1	Balance due or (credit) from previous fiscal year	($478)
2	Company Funding for Grants	55,612
3	Customer Contribution (projected)	$450
4	DEF Fundraising Contribution (projected)	$0
5	**Grants to Low income customers of your company** (Total of lines 2,3,4)	56,063
6	**Operating Fee** (Line 5 x .0875)	4,906
7	Average Grant Amount (based on previous year)	$114
8	Number of Applications to be Processed (Line 5 ÷ line 7)	492
9	Agency Remuneration (Line 8 x $5.00)	2,460
	Total Company Financial Commitment (Add lines 1,2,6,9)	62,500

Company Funding Disclosure

By executing this agreement, the company is agreeing to provide a certain and definite amount of funding to the Hardship Program. Dollar Energy expects that the Company will fully honor this agreement.

In the event that the Company is not able to honor all parts of the agreement or becomes aware that it may not be able to fully meet its original monetary obligation, the Company will immediately notify Dollar Energy Fund. If the Company has to reduce funds available to customers and Dollar Energy has expended funds in excess of the reduced amount, the Company agrees to reimburse Dollar Energy fully for all amounts expended.

By signature below, I accept the terms of the Letter of Agreement.

Executed on behalf of Kentucky American Water by:

Signed: Amy Caudill Date: 10.9.2018

Printed Name: Amy D. Caudill

Title: Customer Advocacy Superintendent

Executed on behalf of Dollar Energy Fund by:

Signed: D V. C Date: 10.9.2018

Printed Name: DANIEL V. CAPONI

Title: INTERIM CFO

Amending Agreement

To correct Letter of agreement dated 8/17/17 and amending agreement dated 11/7/17

Between : Dollar Energy Fund, Inc.

and

Kentucky American Water Company

Background:
Dollar Energy Fund, Inc. and Kentucky American Water entered into an agreement for the purpose of providing funding for grants and operations of the Dollar Energy Fund Hardship program.

Kentucky American Water desires to amend the agreement as follows:

1. Company funding of grants	50000	5200
2. Customer contributions (projected)	300	0
3. Additional DEF Fundraising (projected)	0	0
4. Grants to Low income customers of your company Add lines 1,2, and 3)	50300	5200
5. Operating fee (Line 4 x .0875)	0	4860
6. Average grant amount (based on original agreement)	116	116
7. Number of applications to be processed (Line 4 / Line 6)	0	488
8. Agency Remuneration (Line 7 x $5.00)	0	2440
Total commitment (Add lines 1, 5, and 8)	**50000**	**12500**

Total commitment from original letter of agreement and amendment = **$62,500**

Signed: Jim Cardille
Print name: Jim Cardille
Title: Customer Advocacy Superintendent
Date: 4/16/2018

Executed on behalf of Dollar Energy Fund, Inc. by:

Signed:
Print name: Nick Mettis
Title: CFO
Date: 4-6-18

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2018-00358
COMMISSION STAFF POST HEARING REQUEST FOR INFORMATION

WITNESS: Brent E. O'Neill

15. Did Kentucky-American project the number of full-time employees for the forecasted test year assuming that the Qualified Infrastructure Plan (QIP) would be approved? If yes, state how many additional full-time employees are attributed to the Commission approving the QIP.

Response:

No. Kentucky-American did not include any full-time employees in the forecasted test year related to the proposed Qualified Infrastructure Plan.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2018-00358
COMMISSION STAFF POST HEARING REQUEST FOR INFORMATION

WITNESS: James S. Pellock

16. Refer to Exhibit 37, Schedule G-2. Explain the difference related to the hourly rate for the forecasted year and the hourly rate for the base period.

Response:

Overtime Labor Cost per Hour increased 23.7% from the base period ($34.85) to the forecast period ($43.13), as calculated below from data included on the Total Company page (3 of 10) of Exhibit 37, Schedule G-2.

Straight-Time

Period	Dollars	Hours	Hourly Rate	% Change
Base Period	$8,963,495	302,533	$ 29.63	
Forecasted Period	$9,914,428	317,152	$ 31.26	5.5%

Overtime

Period	Dollars	Hours	Hourly Rate	% Change
Base Period	$1,027,917	29,493	**$ 34.85**	
Forecasted Period	$691,474	16,034	**$ 43.13**	**23.7%**

Total

Period	Dollars	Hours	Hourly Rate	% Change
Base Period	$9,991,412	332,026	$ 30.09	
Forecasted Period	$10,605,902	333,186	$ 31.83	5.8%

It is important to note that the calculations referenced above reflect total labor cost, which includes amounts charged to capital projects in addition to the amounts charged to operations and maintenance expense.

The increase shown is driven by a variance in overtime hours incurred for capital work in the two periods. During the base period, there was a significant amount of overtime hours experienced and planned which was largely related to work that is capitalized. This is evidenced in the section of Exhibit 37, Schedule G-2 (page 8 of 10) specifically capturing labor costs for construction work (the primary group that capitalizes its time). On this schedule, there is a reduction of almost 5,500 overtime hours in construction from the base period (8,871 OT hours) to the forecast period (3,388 OT hours).

When offset by an increase in straight-time hours as a result of adding full-time positions in lieu of overtime, the net result is a reduction in the volume of hours capitalized by the construction employees and an overall reduction in the portion of time allocated to capital work, both of which would see the hourly rate per overtime hour increase between the two periods.

Please note that in the base period update, this variance is largely eliminated, and the hourly rate in the base period is much more in line with the hourly rate in the forecast.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2018-00358
COMMISSION STAFF POST HEARING REQUEST FOR INFORMATION

WITNESS: Brent E. O'Neill

17. Refer to the Excel spreadsheet filed with Kentucky-American's response to the Attorney General's First Request for Information (Attorney General's First Request), Item 61, KAW_R_AGDR1_NUM061_012519_Attachment.xlsx, which shows that the investment in main replacement increases by $5.7 million in year two and by another $4 million in year three. Reconcile the projected investment of approximately $10 million in year three of the QIP and the statement that the QIP program will not be fully ramped up until after year five when Kentucky-American intends to achieve the targeted replacement rate of 10–13 miles of cast iron and galvanized steel replacements at a cost of $6–10 million per year.

Response:

The information provided in response to the Attorney General's First Request for Information (Attorney General's First Request), Item 61 did not reflect the ramp up of the program as intended by Kentucky-American during the first five years of the program. Due to the uncertainty of a multitude of outcomes including the scope of the QIP, the authorized cost of capital in this proceeding, the cost of labor and goods, and changing regulatory requirements the Company developed the response to Item 61 with an understanding of showing the upper range of the anticipated revenue requirements. Consequently, if the ramp up takes place as anticipated, this is one factor that might contribute to a lower revenue requirement than shown in the response. In addition, due to the anticipated QIP period being the 12 months following the end of the forecasted test year from July to June, the overlapping of peak construction periods makes it difficult to fully show the ramp up.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2018-00358
COMMISSION STAFF POST HEARING REQUEST FOR INFORMATION

WITNESS: Brent E. O'Neill

18. File a revised Exhibit 37, Schedule L, with the corrected information regarding the Tap Fee.

Response:

Please see KAW_R_PSCPHDR_NUM018_052419_Attachment.

Kentucky American Water Company
Case No. 2018-00358
Narrative Description and Explanation of Proposed Tariff Changes
For the 12 Months Ending June 30, 2020

DATA:___BASE PERIOD _X__FORECASTED PERIOD
TYPE OF FILING: ____ ORIGINAL __X__UPDATED _____REVISED

Exhibit 37, Schedule L
Witness Responsible: Melissa Schwarzell

Reference	Type of Rate or Regulation	Description
		The Company is proposing to increase its rates based on Ms. Connie Heppenstall's Cost of Service Study for all metered tariffs, plus public and private fire protection Please see the testimony of Ms. Melissa Schwarzell for a general discussion about the impact of the change in water service tariffs proposed by the testimony and exhibits of Ms. Connie Heppenstall. Also see the Cost of Service Study prepared by Ms. Heppenstall attached to Exhibit 36.
		The Company is proposing to apply the same meter charges by the size of the meter to all customer classifications, and eliminate the different meter charges for residential customers.
		The Company is proposing to revise its rates and charges to eliminate the separate rates for the former customers of the Eastern Rockcastle Water District.
		The Company is proposing revisions to clarify that the rates and charges will apply to all customers within Kentucky American's service territory unless otherwise noted. The Company is also proposing a revision to clarify that Service Classification No. 6 applies only to the portion of the service territory supplied from the Kentucky River and the purpose of the rate for Kentucky River Authority withdrawal fees.
		The Company is proposing to add a new tariff for a Qualified Infrastructure Program Charge. The charge will recover the fixed costs (pre-tax return and depreciation) of certain non-revenue producing distribution system replacement projects and water treatment facility replacement projects completed and placed in service on an annual prospective basis between base rate cases and recorded in the individual utility plant accounts. The purpose of this additional rider is to provide the Company with the resources to accelerate the replacement of aging water distribution system and water treatment system infrastructure. The initial annual prospective QIP year will be the first full twelve month period following the Forecast Test Periodutilized by the Commission in establishing Base Rates of the Company in its prior Base Rate Case proceeding. Please see Ms. Melissa Schwarzell's testimony.
		The Company added 3 additional counties for service availability on the Cover Page.
		The Company is proposing to adjust its Tapping Fee tariff due to decreased costs for water service installations.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2018-00358
COMMISSION STAFF POST HEARING REQUEST FOR INFORMATION

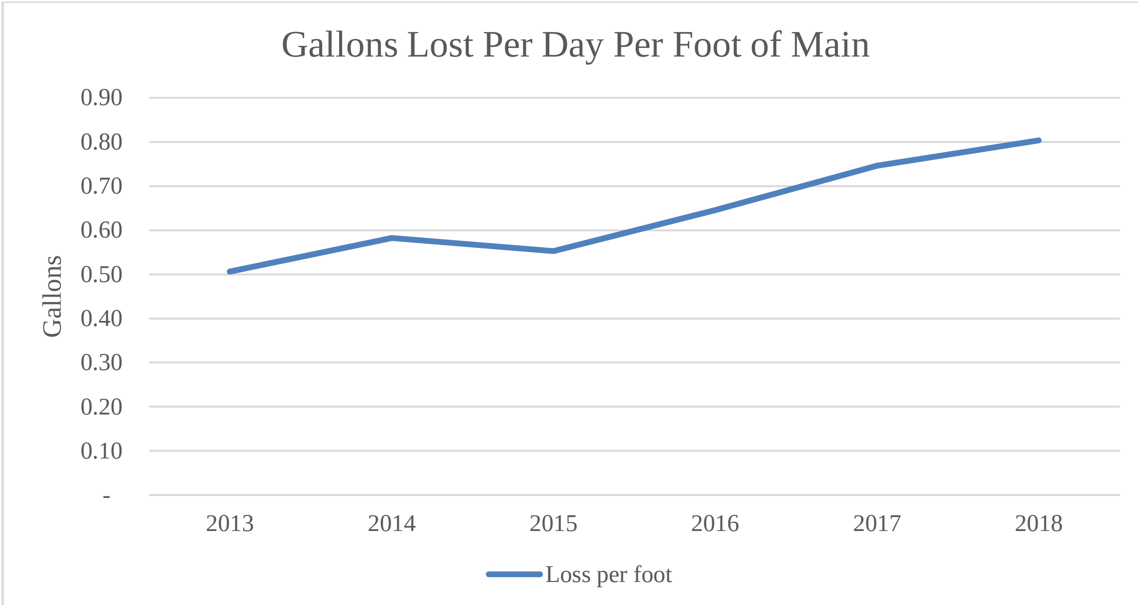
WITNESS: Brent E. O'Neill

19. Identify the primary source of leaks in Kentucky-American's systems. For example, whether the majority of leaks are in mains or service lines.

Response:

While we do not know all the causes of NRW, the Company believes the main driver is unidentified leaks from buried infrastructure – mains and service lines. To further determine the cause for NRW, the Company's NRW Task Force has developed eight tasks that will be undertaken in 2019 to assist in developing a better understanding of the source of leakage and the drivers that account for known, unbilled usage. The majority of the work during 2019 will be to employ active acoustic leak detection in the distribution system which can then be implemented in strategic locations to further narrow the location and severity of leaks. It is anticipated that acoustic monitoring of creek crossings and downtown areas of the system will allow the Company to determine areas of the distribution system that are underperforming and is a high priority for replacement.

At present, one can only use available data such as main break rates and the age of the main as an indicator of the performance of the distribution system. During the period of 2013 to 2018 the distribution system has seen an increase in the loss per foot of main from 0.51 gallons per foot per day to 0.80 gallons per foot per day. This increase in loss of water per foot points to an increasing age of material in the distribution system and the potential for leaks occurring that have not been identified. It is this type of review that the NRW task force will use to determine if leaks are occurring on older areas of the distribution system.


Gallons Lost Per Day Per Foot of Main
0.90
0.80
0.70
0.60
0.50
0.40
0.30
0.20
0.10
-
Gallons
2013
2014
2015
2016
2017
2018
Loss per foot

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20. Explain in specific detail the regulatory process that Kentucky-American proposes be implemented for the QIP, including identifying information to be included the annual filing to establish the QIP surcharge and the annual reconciliation.

Response:

Kentucky-American proposes the following regulatory process for the QIP, including identifying information.

1) Annual Filing
    a. Test Period:
        i. The first test period would be the 12 months following the end of the forecasted test year in this case (July 2020 – June 2021)
        ii. Subsequent test periods would be in 12 month increments following the first test period (July 2021 – June 2022, July 2022 – June 2023, etc.)
    b. Timing of First Annual Filing:
        i. Filing:
            1. At least 90 days prior to the beginning of the test period (approximately April 2, 2020 or earlier), the Company would make its annual filing.
            2. If it were deemed that a longer review period was required, the filing date could be set further in advance of the test period.
        ii. Intervention and Discovery:
            1. Six weeks could be allowed for intervention, discovery, and filings. (Filing date plus 6 weeks – for example, April 3, 2020 – May 15, 2020)
                a. First Discovery Requests Received by April 10
                b. Responses provided by April 17
                c. Second Discovery Request Received by April 24
                d. Second discovery response due by May 1
                e. Intervener testimony, if any, filed by May 15
        iii. Rebuttal
            1. If intervener testimony is received, 3 weeks to file rebuttal (by June 5)
        iv. Hearing
            1. 2 weeks following rebuttal – June 19
        v. Order

            1. 2 weeks following hearing – July 3
    c. Identifying information
        i. Forecasted non-revenue producing replacement plant investment for distribution and water treatment infrastructure, during the specified test year, which has not been included in the companies' rate base as of the most recent general rate case.
        ii. Qualifying plant investment will consist of a description of the reason for replacing the existing plant and/or facilities, estimated in-service periods of such investment, and the NARUC plant accounts such investment will be replaced for.
        iii. Revenue requirement for the upcoming test year, including depreciation, property tax, and pre-tax return on the qualified additions and removal expenditures (less the QIP related accumulated depreciation and QIP related accumulated deferred income taxes.)
        iv. Proposed tariff, expressing QIP as a percentage of base rates for water service charges (including meter fees, volumetric water sales, fire service fees, and public and private hydrant fees from the Company's most recent base rate case.)

2) Annual Reconciliation or Balancing Adjustment Filing
    a. Timing
        i. Filing:
            1. Within 90 days of the conclusion of each QIP test period, the Company would file a reconciliation or balancing adjustment filing
            2. The first filing would be made by the end of September 2021
        ii. Intervention and Discovery, Rebuttal, Hearing, and Order
            1. The adjudication could follow a similar timeframe to the Annual Filing
    b. Identifying information
        i. Actual qualifying QIP plant investment for the test year by project.
        ii. Detailed listing of each qualifying QIP project completed and placed into service, including any project modifications resulting from changing priorities. The detailing listing will consisted of the following information:
            1. Project description
            2. Estimated In-Service Date
            3. Actual In-Service Date
            4. Explanation for the replacement of the existing plant and/or facilities.
            5. Explanation for any changes in the proposed projects since the annual filing
            6. Amount of plant investment by NARUC plant account.
            7. Amount of original cost of plant retired by NARUC plant account.
            8. Amount of cost of removal less salvage to removed existing plant and/or facilities.

9. Amount of reimbursements received from third parties directly attributed to the project.

iii. Actual revenue requirement for the test period, including depreciation, property tax, and pre-tax return on the qualified additions and removal expenditures (less the QIP related accumulated depreciation and QIP related accumulated deferred income taxes).

iv. Actual QIP revenues billed

v. Proposed balancing adjustment percentage calculation

1. Equals the difference between the actual QIP revenue requirement and the actual QIP revenues billed, divided by the amount of base rates authorized in the last general rate case, multiplied by the number of days that will be remaining before the next QIP period begins, divided by 365.

c. Implementation

i. The balancing adjustment percentage will be added or deducted from the current QIP rate, and the balanced QIP rate will go into place approximately 180 days after the end of the prior QIP period, and will have a rate designed to credit or recover from customers the Balancing Adjustment credit or surcharge before the next QIP period begins.

3) General Rate Case

a. The QIP revenue will be present rate revenue that reduces the rate increase required through any subsequent general rate case.

b. When new base rates go into effect in the Company's next general rate case, the QIP rate is reset to zero.

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WITNESS: Melissa L. Schwarzell

21. Refer to Kentucky-American's response to the Attorney General's First Request, Item 4. Explain in specific detail the reason for the fluctuation in American Water Works Service Company's total costs, which were $219,219,779 in 2016, $204,154,139 in 2017, and $229,526,773 in 2018.

Response:

The primary fluctuations in Service Company costs are related to Corp Admin costs. The 2017 variance is primarily due to decrease in Group Insurance expense ($2.2M), Injuries and Damages were $0 in 2017 when compared to $6.8M in 2016 resulting in a decrease of ($6.8M) for 2017, depreciation expense decrease of ($3M) and an overall Income Tax decrease of ($5.5M). The 2018 variance is primarily due to increase in depreciation expense of $4.7M and an overall Income Tax increase of $14M.

	Total Service Company Costs		
Function	2016	2017	2018
Business Development	$ 4,848,090	$ 4,278,396	$ 4,566,366
Central Lab	2,387,876	2,596,601	2,517,758
Corp Admin	35,816,095	17,060,770	33,608,995
Corporate Security	2,599,128	3,095,151	5,588,616
Customer Service Organization (CSO)	41,081,194	42,928,252	40,819,490
Engineering	1,799,195	2,418,335	2,381,552
External Affairs & Public Policy	7,323,596	7,099,637	8,018,390
Facilities	4,198,993	4,489,104	5,824,157
Finance	26,996,850	27,162,870	31,077,591
Human Resources	16,682,573	16,227,310	18,989,510
Investor Relations	1,627,201	1,684,378	1,849,930
Legal	12,819,951	12,548,977	14,878,508
Regulated Ops	11,018,139	12,268,258	13,788,934
Safety & Environmental Compliance	1,137,734	2,185,798	1,835,302
Supply Chain	2,111,575	2,431,185	3,602,601
Technology and Innovation (T&I)	46,771,589	45,679,114	40,179,073
Total	$ 219,219,779	$ 204,154,139	$ 229,526,773
Support Services Variance % Year over Year		-7%	12%

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22. For each proxy company, provide the approved weighted average cost of capital.

Response:

The requested information has been provided in KAW_R_PSCPHDR_NUM022_Attachment 1. However, it is important to note that the authorized ROR is calculated as follows:

ROR = Embedded Cost of Debt * Authorized Long-term Debt Ratio +Authorized Return on Equity * Authorized Equity Ratio.

The embedded cost of debt for each of the proxy companies is determined based on the cost of each debt issuance at the time of issuance and the size of the issuance. The embedded cost of debt is not one of the components of the capital structure that is benchmarked against the proxy group because the differences in the costs relate to the market conditions at the time that each of the proxy companies issued debt and the duration of the debt that was issued. Therefore, the ROR, which includes the embedded cost of debt, is not the relevant point in this case.

As Ms. Bulkley discussed in her Rebuttal Testimony and at hearing, the components of the cost of capital that can reasonably be benchmarked to the proxy group are the authorized equity return and the authorized equity ratio. Therefore, KAW_R_PSCPHDR_NUM022_Attachment 1 also provides the authorized equity ratio, the return on equity, and the weighted return on equity, which is the return on equity multiplied by the equity ratio. The resulting weighted return on equity reflects the return to shareholders. It is this return that should and can reasonably be compared to the requested equity return for Kentucky American Water shareholders.