

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:)
)
APPLICATION OF KENTUCKY-AMERICAN)
WATER COMPANY FOR AN ADJUSTMENT) **CASE NO. 2021-00434**
OF ITS WASTEWATER RATES PURSUANT)
TO 807 KAR 5:076)

NOTICE OF FILING OF PROOF OF CUSTOMER NOTICE

In accordance with 807 KAR 5:076, Section 5(3)(a) regarding proof of customer notice, Kentucky-American Water Company hereby provides the attached Affidavit of Tricia Sinopole.

Date: December 28, 2021

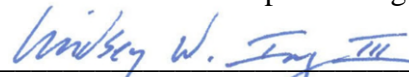
Respectfully submitted,

STOLL KEENON OGDEN PLLC
300 West Vine Street, Suite 2100
Lexington, KY 40507-1801
Telephone: (859) 231-3000
Fax: (859) 253-1093
Email: L.Ingram@skofirm.com

By: 
Lindsey W. Ingram III

CERTIFICATE

This is to certify that Kentucky American Water's December 28, 2021 electronic filing is a true and accurate copy of the original documents in paper medium; that the electronic filing was transmitted to the Commission on December 28, 2021; and that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.


Counsel for Kentucky American Water

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AFFIDAVIT OF TRICIA SINOPOLE REGARDING CUSTOMER NOTICE

Comes Tricia Sinopole, Director, Rates and Regulatory, for Kentucky-American Water Company, and states that on December 1, 2021, which was no later than the date the Application in this case was submitted to the Commission, the customer notice attached hereto was mailed to all wastewater customers.

Tricia Sinopole 12/15/21

TRICIA SINOPOLE

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF FAYETTE)

Subscribed and sworn to before me by Tricia Sinopole, Director, Rates and Regulatory, for Kentucky-American Water Company, for and on behalf of said corporation, this the 15th day of December, 2021.

Molly McCleese Van Over

NOTARY PUBLIC, State-At-Large
My Commission expires: July 31, 2025
Notary ID: KYNP26988

NOTICE

Notice is hereby given that Kentucky-American Water Company, a Kentucky corporation, expects to file on December 1, 2021 and seek approval from the Public Service Commission, Frankfort, Kentucky, for an adjustment of sewer rates with the rate change to be phased in over a four-year period. The first adjustment is for service rendered on and after June 1, 2022; the second adjustment is for service rendered on and after June 1, 2023; the third adjustment is for service rendered on and after June 1, 2024; and the fourth adjustment is for service rendered on and after June 1, 2025. With all four adjustments, the total amount of the requested increase is \$968,410 on an annual basis, which is an increase of 141.4%.

The table below summarizes the requested increase and percent by year for each customer class, including residential, commercial, industrial, and other public authority (“OPA”):

Class	Total Requested Increase	Total Percent Increase	Total Increase June 1, 2022	Percent Increase June 1, 2022	Total Increase June 1, 2023	Percent Increase June 1, 2023	Total Increase June 1, 2024	Percent Increase June 1, 2024	Total Increase June 1, 2025	Percent Increase June 1, 2025
Residential	\$ 787,511	152.6%	\$ 134,139	26.0%	\$ 170,386	26.2%	\$ 214,618	26.2%	\$ 268,369	25.9%
Commercial	148,692	97.3%	25,567	16.7%	32,151	18.0%	40,312	19.1%	50,663	20.2%
Industrial	2,652	168.9%	(114)	-7.3%	650	44.6%	911	43.3%	1,205	39.9%
OPA	29,555	204.1%	5,213	36.0%	6,469	32.9%	7,957	30.4%	9,916	29.1%
Total	\$ 968,410	141.4%	\$ 164,804	24.1%	\$ 209,656	24.7%	\$ 263,797	24.9%	\$ 330,153	25.0%

The present and proposed rates for each customer area are set forth in the table below. The proposed rates in the table below are applicable to all customer classes, including residential, commercial, industrial and other public authority, as referenced in the table above.

Customer Class	Present Monthly Rates	Proposed Monthly Rates (Effective 6/1/2022)	Proposed Monthly Rates (Effective 6/1/2023)	Proposed Monthly Rates (Effective 6/1/2024)	Proposed Monthly Rates (Effective 6/1/2025)	Percent Increase 6/1/2022	Percent Increase 6/1/2023	Percent Increase 6/1/2024	Percent Increase 6/1/2025
Ridgewood - Flat Rate	\$35.14	\$44.47	\$56.54	\$71.90	\$90.00	26.6%	27.1%	27.2%	25.2%
Millersburg									
Meter Less than 1"		\$6.15 Minimum Bill	\$14.17 Minimum Bill	\$24.23 Minimum Bill	\$37.28 Minimum Bill	NA	130.4%	71.0%	53.9%
Meter 1" and Larger		\$33.28 Minimum Bill	\$76.64 Minimum Bill	\$131.09 Minimum Bill	\$201.68 Minimum Bill	NA	130.3%	71.0%	53.8%
First 2,000 gallons	\$1.16 per 100 gallons	\$1.234 per 100 gallons	\$1.330 per 100 gallons	\$1.451 per 100 gallons	\$1.607 per 100 gallons	6.4%	7.8%	9.1%	10.8%
Next 3,000 gallons	\$1.16 per 100 gallons	\$1.128 per 100 gallons	\$1.086 per 100 gallons	\$1.033 per 100 gallons	\$0.964 per 100 gallons	-2.8%	-3.7%	-4.9%	-6.7%
Next 5,000 gallons	\$1.16 per 100 gallons	\$1.101 per 100 gallons	\$1.025 per 100 gallons	\$0.929 per 100 gallons	\$0.804 per 100 gallons	-5.1%	-6.9%	-9.4%	-13.5%
All over 10,000 gallons	\$1.16 per 100 gallons	\$1.061 per 100 gallons	\$0.933 per 100 gallons	\$0.772 per 100 gallons	\$0.563 per 100 gallons	-8.5%	-12.1%	-17.3%	-27.1%
Owenton									
Meter Less than 1"	\$27.19 minimum bill	\$29.01 minimum bill	\$31.23 minimum bill	\$33.92 minimum bill	\$37.28 minimum bill	6.7%	7.7%	8.6%	9.9%
Meter 1" and Larger	\$27.19 minimum bill	\$58.60 minimum bill	\$96.99 minimum bill	\$143.57 minimum bill	\$201.68 minimum bill	115.5%	65.5%	48.0%	40.5%
First 2,000 Gallons	\$0.000 per 100 gallons	\$0.289 per 100 gallons	\$0.643 per 100 gallons	\$1.072 per 100 gallons	\$1.607 per 100 gallons	NA	122.5%	66.7%	49.9%
Next 1,000 Gallons	\$1.235 per 100 gallons	\$1.186 per 100 gallons	\$1.127 per 100 gallons	\$1.054 per 100 gallons	\$0.964 per 100 gallons	-4.0%	-5.0%	-6.5%	-8.5%
Next 2,000 Gallons	\$0.972 per 100 gallons	\$0.971 per 100 gallons	\$0.969 per 100 gallons	\$0.967 per 100 gallons	\$0.964 per 100 gallons	-0.1%	-0.2%	-0.2%	-0.3%
Next 5,000 Gallons	\$0.880 per 100 gallons	\$0.866 per 100 gallons	\$0.850 per 100 gallons	\$0.829 per 100 gallons	\$0.804 per 100 gallons	-1.6%	-1.8%	-2.5%	-3.0%
Next 10,000 Gallons	\$0.787 per 100 gallons	\$0.747 per 100 gallons	\$0.697 per 100 gallons	\$0.638 per 100 gallons	\$0.563 per 100 gallons	-5.1%	-6.7%	-8.5%	-11.8%
Next 20,000 Gallons	\$0.694 per 100 gallons	\$0.670 per 100 gallons	\$0.642 per 100 gallons	\$0.607 per 100 gallons	\$0.563 per 100 gallons	-3.5%	-4.2%	-5.5%	-7.2%
Over 40,000 Gallons	\$0.662 per 100 gallons	\$0.644 per 100 gallons	\$0.622 per 100 gallons	\$0.596 per 100 gallons	\$0.563 per 100 gallons	-2.7%	-3.4%	-4.2%	-5.5%
North Middletown									
Meter Less than 1"	\$23.99 minimum bill	\$26.18 Minimum Bill	\$29.04 Minimum Bill	\$32.76 Minimum Bill	\$37.28 Minimum Bill	9.1%	10.9%	12.8%	13.8%
Meter 1" and Larger	\$23.99 minimum bill	\$53.31 Minimum Bill	\$91.51 Minimum Bill	\$141.27 Minimum Bill	\$201.68 Minimum Bill	122.2%	71.7%	54.4%	42.8%
First 2,000 gallons	\$0.000 per 100 gallons	\$0.265 per 100 gallons	\$0.611 per 100 gallons	\$1.061 per 100 gallons	\$1.607 per 100 gallons	NA	130.6%	73.6%	51.5%
Next 3,000 gallons	\$1.012 per 100 gallons	\$1.004 per 100 gallons	\$0.994 per 100 gallons	\$0.980 per 100 gallons	\$0.964 per 100 gallons	-0.8%	-1.0%	-1.4%	-1.6%
Next 5,000 gallons	\$0.877 per 100 gallons	\$0.865 per 100 gallons	\$0.849 per 100 gallons	\$0.829 per 100 gallons	\$0.804 per 100 gallons	-1.4%	-1.8%	-2.4%	-3.0%
All over 10,000 gallons	\$0.728 per 100 gallons	\$0.701 per 100 gallons	\$0.665 per 100 gallons	\$0.619 per 100 gallons	\$0.563 per 100 gallons	-3.7%	-5.1%	-6.9%	-9.0%
Rockwell									
Meter Less than 1"	\$32.67 minimum bill	\$33.36 Minimum Bill	\$34.28 Minimum Bill	\$35.57 Minimum Bill	\$37.28 Minimum Bill	2.1%	2.8%	3.8%	4.8%
Meter 1" and Larger	\$32.67 minimum bill	\$58.02 Minimum Bill	\$91.82 Minimum Bill	\$139.15 Minimum Bill	\$201.68 Minimum Bill	77.6%	58.3%	51.5%	44.9%
First 2,000 gallons	\$0.000 per 100 gallons	\$0.241 per 100 gallons	\$0.562 per 100 gallons	\$1.012 per 100 gallons	\$1.607 per 100 gallons	NA	133.2%	80.1%	58.8%
Next 3,000 gallons	\$0.000 per 100 gallons	\$0.145 per 100 gallons	\$0.337 per 100 gallons	\$0.607 per 100 gallons	\$0.964 per 100 gallons	NA	132.4%	80.1%	58.8%
Next 5,000 gallons	\$0.000 per 100 gallons	\$0.121 per 100 gallons	\$0.281 per 100 gallons	\$0.507 per 100 gallons	\$0.804 per 100 gallons	NA	132.2%	80.4%	58.6%
All over 10,000 gallons	\$0.000 per 100 gallons	\$0.316 per 100 gallons	\$0.374 per 100 gallons	\$0.455 per 100 gallons	\$0.563 per 100 gallons	NA	18.4%	21.7%	23.7%
All over 12,000 gallons	\$0.272 per 100 gallons	\$0.316 per 100 gallons	\$0.374 per 100 gallons	\$0.455 per 100 gallons	\$0.563 per 100 gallons	16.2%	18.4%	21.7%	23.7%

The effect upon the average bill for each customer class on which the proposed rate change will apply is set forth in the following table:

<u>Area</u>	<u>Average Usage</u>	<u>Total Impact on Average Bill</u>		<u>June 2022 Impact</u>		<u>June 2023 Impact</u>		<u>June 2024 Impact</u>		<u>June 2025 Impact</u>	
<u>Ridgewood</u>											
Residential	Flat Rate	\$ 54.86	156.1%	\$ 9.33	26.6%	\$ 12.07	27.1%	\$ 15.36	27.2%	\$ 18.10	25.2%
<u>Millersburg</u>											
Residential	2,702	\$ 44.84	143.1%	\$ 7.41	23.6%	\$ 9.65	24.9%	\$ 12.11	25.0%	\$ 15.69	25.9%
Commercial	10,960	\$ 181.21	142.5%	\$ 29.90	23.5%	\$ 38.99	24.8%	\$ 48.93	25.0%	\$ 63.38	25.9%
OPA	2,262	\$ 210.11	800.7%	\$ 34.68	132.2%	\$ 45.17	74.2%	\$ 56.73	53.5%	\$ 73.53	45.2%
<u>Owenton</u>											
Residential	2,583	\$ 40.65	118.2%	\$ 7.31	21.3%	\$ 8.96	21.5%	\$ 10.84	21.4%	\$ 13.54	22.0%
Commercial	11,952	\$ 195.59	165.3%	\$ 35.20	29.7%	\$ 43.06	28.0%	\$ 52.19	26.5%	\$ 65.14	26.2%
OPA	5,614	\$ 203.29	315.8%	\$ 36.59	56.8%	\$ 44.74	44.3%	\$ 54.26	37.2%	\$ 67.70	33.9%
<u>North Middletown</u>											
Residential	3,238	\$ 44.84	122.8%	\$ 7.39	20.2%	\$ 9.66	22.0%	\$ 12.55	23.4%	\$ 15.24	23.1%
Commercial	9,449	\$ 205.14	219.7%	\$ 33.85	36.3%	\$ 44.11	34.7%	\$ 57.45	33.5%	\$ 69.74	30.5%
OPA	5,463	\$ 208.05	356.2%	\$ 34.32	58.8%	\$ 44.75	48.3%	\$ 58.25	42.4%	\$ 70.73	36.1%
<u>Rockwell</u>											
Residential	2,932	\$ 45.73	140.0%	\$ 6.86	21.0%	\$ 9.13	23.1%	\$ 12.81	26.3%	\$ 16.94	27.6%
Commercial	21,973	\$ 310.55	519.3%	\$ 51.28	85.8%	\$ 60.92	54.8%	\$ 85.43	49.7%	\$ 112.92	43.9%
Industrial	27,880	\$ 327.74	432.0%	\$ 53.88	71.0%	\$ 64.35	49.6%	\$ 90.21	46.5%	\$ 119.30	42.0%

This application may be examined at the offices of Kentucky American Water located at 2300 Richmond Road in Lexington, Kentucky. This application may also be examined at the offices of the Public Service Commission located at 211 Sower Boulevard in Frankfort, Kentucky, Monday through Friday from 8:00 am – 4:30 pm or on the Commission’s website at <http://psc.ky.gov>. Comments regarding this application may be submitted by mail to the Public Service Commission, Post Office Box 615, Frankfort KY 40602; or through its website at <http://psc.ky.gov>. The rates contained in this notice are the rates proposed by Kentucky American Water but the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Any person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, which establishes the grounds for the request including the status and interest of the party. If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the providing of this notice, the Public Service Commission may take final action on the application.