

June 5, 2016

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Public Service Commission
P.O. Box 615
211 Sower Blvd.
Frankfort, KY 40602

JUN 16 2016

Public Service
Commission

To Whom It May Concern:

I am writing in reference to the proposed rate increase by American Water. After reading the information on the rate increase, I find it outrageous that they have had substantial increases over the last few years and again are asking for a huge increase. Where has the money gone. I am wondering if it is poor financial management. Perhaps the CEO and other top managers getting a big raise? Something needs to be done to harness these huge increases.

NO ordinary citizen, lower and middle class, have had any raises in wages for YEARS. Senior citizens living on fixed incomes can't keep paying for these extreme rate increases. They are asking for a 27% increase in residential rates. Kentucky is considered a "poor" state yet it is near the top for water rates.

I have included the AARP map of the annual water charges throughout the U.S. Kentucky is way up there.

Regards,



Nancy Van der Wel
Lexington, Ky 40509

FACEBOOK.COM/KENTUCKYCOM • TWITTER.COM/HERALDLEADER

COMMODITIES

↗ 1259.80

Gold
+15.40

↗ Y 51.23

Crude oil
+0.87

denied a request for the surcharge in 2013.

Melnykovich said that there wasn't compelling evidence that a surcharge would decrease the amount of rate increases requested by the utility.

"With a rate increase requested every two years, we didn't see much of a point in a rider," Melnykovich said during a question-and-answer session.

Kentucky American Water, water provider for Lexington and 10 nearby counties, applied for the increase in January to reportedly recoup \$79 million for improvement to facilities, including a \$15 million filtration building. The utility claimed in its application to the Public Service Commission that the increase was needed to maintain the system's aging infrastructure.

If approved, this will be the fifth rate increase for

the company since 2007. The Public Service Commission approved a 10 percent increase in 2013, a 29 percent increase in 2010, 17 percent in 2009 and 15 percent in 2007.

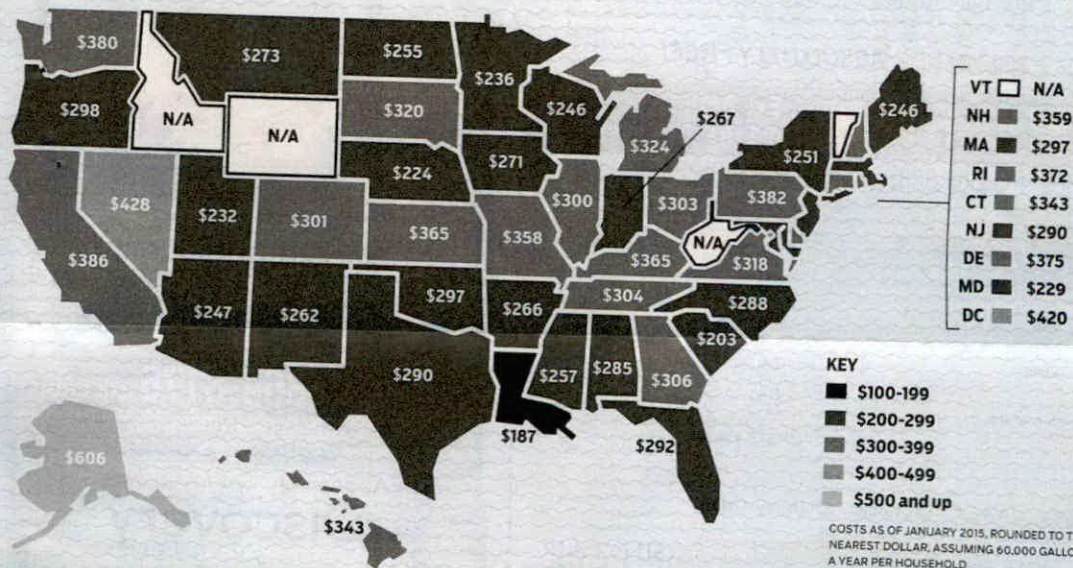
WKYT reported that the rate hike would place Kentucky American Water in the top 30 most expensive water services, according to a survey from the watchdog group Food and Water Watch.

The public may comment at a formal hearing regarding the case at 9 a.m. July 13 at the PSC office in Frankfort. The PSC must make a final decision about the rate increase by November.

The Public Service Commission will post video of Tuesday's meeting on its website. Additionally, it released a video in 2013 explaining how the process of rate-making is decided.

Public Water Costs

Average annual household bills



SOURCE: FOOD & WATER WATCH

KEY

- \$100-199
- \$200-299
- \$300-399
- \$400-499
- \$500 and up

COSTS AS OF JANUARY 2015, ROUNDED TO THE NEAREST DOLLAR, ASSUMING 60,000 GALLONS A YEAR PER HOUSEHOLD.

N/A — NONE OF THE 500 LARGEST COMMUNITY WATER SYSTEMS ARE LOCATED HERE (VT, WY), OR THE SYSTEM IS PRIVATELY OWNED (ID, WV).