

**NOTICE**

Kentucky-American Water Company ("Kentucky American Water") expects to file on August 4, 2017 an application with the Kentucky Public Service Commission for additions to its tariff to include a Qualified Infrastructure Program ("QIP") surcharge that would be applied to Residential, Commercial, Industrial, Other Public Authority, and Sales for Resale Service classifications for infrastructure replacement investments. This surcharge would be calculated annually based on replacement costs, and applied to each customer's monthly bill. The surcharge would then be updated annually until the next rate case, at which time the investment costs would be incorporated into general rates and the surcharge reset at zero. This QIP would generate an additional \$1,688,592 in water service revenues or a 1.75% increase. The proposed QIP surcharge increases by customer classification are: Residential - \$1,005,803 (1.91%); Commercial - \$446,080 (1.91%); Industrial - \$53,771 (1.91%); Other Public Authority - \$122,694 (1.91%); Sales for Resale - \$35,008 (1.91%); Private Fire Service and Hydrants - \$0 (0.0%); Public Fire Hydrants - \$0 (0.0 %). The proposed effective date of the surcharge is for service rendered on and after January 1, 2018. Kentucky American Water has requested the proposed surcharge be implemented to all customer classifications as shown below:

**Proposed Qualified Infrastructure Program surcharge (Effective for service rendered on and after January 1, 2018):**

Monthly Surcharge by  
By Customer

<u>Classifications</u>	<u>Current Surcharge</u>	<u>Proposed Surcharge</u>	<u>\$ Change</u>	<u>% Change</u>
Residential	\$0.0	\$0.71	\$0.71	N/A
Commercial	0.0	4.01	4.01	N/A
Industrial	0.0	82.98	82.98	N/A
Other Public Authority	0.0	13.31	13.31	N/A
Sales for Resale	0.0	126.84	126.84	N/A

**Average Monthly Bills:**

	<u>Average Monthly Usage</u>	<u>Current Average Bill</u>	<u>Proposed Average Bill</u>	<u>\$ Change</u>	<u>% Change</u>
Residential	4,109 gallons	\$37.22	\$37.93	\$0.71	1.91% Increase
Commercial	33,090 gallons	\$185.46	\$189.47	\$4.01	2.16% Increase
Industrial	1,954,103 gallons	\$8,528.68	\$8,611.66	\$82.98	0.97% Increase
Other Public Authority	134,295 gallons	\$727.25	\$740.56	\$13.31	1.83% Increase
Sales for Resale	1,607,239 gallons	\$7,061.15	\$7,187.99	\$126.84	1.80% Increase
Private Fire Hydrant	N/A	\$79.77	\$79.77	\$0.00	0% Increase
Public Fire Hydrant	N/A	\$44.68	\$44.68	\$0.00	0% Increase
Private Fire Line	N/A	\$80.55	\$80.55	\$0.00	0% Increase

This tariff filing may be examined at the offices of Kentucky American Water located at 2300 Richmond Road in Lexington, Kentucky.

This tariff filing may also be examined at the offices of the Public Service Commission located at 211 Sower Boulevard in Frankfort, Kentucky, Monday – Friday from 8:00 am – 4:30 pm or on the Commission's website at <http://psc.ky.gov>.

Comments regarding this tariff filing 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 surcharges contained in this notice are those proposed by Kentucky American Water but the Public Service Commission may order surcharges to be charged that differ from the proposed surcharges 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 tariff filing.

*I object to this surcharge, which will also increase cost of sewer bill which is a percentage of water bill.*

**Liz Harris**  
2313 The Woods Lane  
Lexington, KY 40502

*I Protest*