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DEC 14 2018

PUBLIC SERVICE
COMMISSION

Kentucky Public Service Commission,
211 Sower Blvd.
P.O. Box 615
Frankfort Kentucky 40602-0615

Dear Kentucky Public Service Commission:

Kentucky American Water recently announced rate increases for all customers (CASE NO. 2018-00358). Their notice to customers states an average increase of 24%, plus and unspecified "Qualified Infrastructure Program" that will be added and updated annually with no notification to customers. These rate increases will be on top of outrageous increases levied over the past 10 years. As representatives of the people, I request the Kentucky Public Service Commission completely oppose any increases.

My specific case for a family of 4:

In 2007, our average water bill, including sewer at that time, was \$34.88. That's \$42.54 accounting for inflation from 2007 to 2018.

In 2018, our average water bill is \$40.92 and our average sewer bill is \$36.22. The total average, \$77.14, represents an 81% increase in 11 years, even after accounting for inflation.

Our consumption has increased a little in 11 years, but nowhere near 121% like my water bill. That 121% increase is 6.5 times the rate of inflation over the same 11 years.

If this increase goes through, in 2019 I will pay an extra \$106 for water compared to 2018. Then our rate increase over 12 years will be 143% or **7.5 times inflation!**

I truly believe every business has the right to make a reasonable profit and to fairly compensate its employees. But, in the case of a monopoly public utility like Kentucky American Water - which has no incentive to improve efficiency, which promotes 8.2% dividend growth to its investors, which pays its CEO over \$4,000,000 per year, and which will not disclose non-executive salaries - the Public Service Commission is the only voice of the customers that can oppose increasing profits on the backs of customers. In the open market, companies must remain competitive by improving efficiency and delighting customers. If a company fails to remain competitive, customers simply switch to a competitor. However, in the case of water, we have no other choice. Please do the right thing.

Respectfully,

Gabe Knowles
657 Longview Drive
Lexington, KY 40503

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12/6/2018