

RECEIVED

DEC 17 2018

PUBLIC SERVICE
COMMISSION

December 14, 2018

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

Re: Proposed Kentucky - American Water rate change

This letter is in response to the increase Kentucky - American planned to file on November 28, 2018. I am concerned with the residential increase of 22.9%. For my 5/8" meter the increase would be 20%.

I understand the periodic need to increase rates. A utility wants or needs to fix or upgrade their infrastructure. For whatever reason it has become an accepted habit, rather than exception, to consider these rate increase proposals. The reason this doesn't make sense is that budgeting doesn't work that way for individuals. The great majority of this state's population must budget in expenses. For example, if I need new windows I can't just ask my boss for that extra money, no matter how much I need it. I have to budget for the new windows. Kentucky - American just asks us to pay for their changes on top of their already existing budget.

Please deny Kentucky - American's request. Even a 10% increase would be extreme.

Sincerely,
Larry Leach, 317 Desha Rd.
Frankfort, KY 40602

NOTICE

Kentucky-American Water Company ("Kentucky American Water") expects to file on November 28, 2018 an application with the Kentucky Public Service Commission to increase the water service revenues by approximately 22.6%. The proposed annual revenue increases by customer classification are: Residential - \$10,908,442 (22.9%); Commercial - \$5,404,101 (25.0%); Industrial - \$579,966 (23.1%); Other Public Authority - \$1,420,526 (24.9%); Sales for Resale - \$367,222 (21.5%); Private Fire Service and Hydrants - \$346,415 (13.0%); Public Fire Hydrants - \$838,067 (23.2%). The proposed effective date of the rates is for service rendered on and after December 28, 2018. Kentucky American Water has requested the proposed rates be implemented to all customer classifications as shown below:

Proposed Rate Increase for all customers except Eastern Rockcastle
Monthly Service Charge by Meter Size

Residential					All Other Customer Classes				
<u>Meter Size</u>	<u>Present Rate</u>	<u>Proposed Rate</u>	<u>Change</u>	<u>% Increase</u>	<u>Present Rate</u>	<u>Proposed Rate</u>	<u>Change</u>	<u>% Increase</u>	
5/8"	\$12.49	\$15.00	\$ 2.51	20%	\$13.63	\$15.00	\$ 1.37	10%	
3/4"	18.74	22.40	3.66	20%	20.46	22.40	1.94	9%	
1"	31.23	37.30	6.07	19%	34.07	37.30	3.23	9%	
1 1/2"	62.45	74.70	12.25	20%	68.17	74.70	6.53	10%	
2"	99.92	119.50	19.58	20%	109.04	119.50	10.46	10%	
3"	187.35	224.00	36.65	20%	204.47	224.00	19.53	10%	
4"	312.25	373.40	61.15	20%	340.77	373.40	32.63	10%	
6"	624.50	746.70	122.20	20%	681.50	746.70	65.20	10%	
8"	999.20	1194.70	195.50	20%	1090.40	1194.70	104.30	10%	

Consumption Charges:

	<u>Current Rate</u>		<u>Proposed Rate</u>		<u>\$ Change</u>		<u>% Increase</u>
	<u>Per 1000 Gallons</u>	<u>Per 100 Gallons</u>	<u>Per 1000 Gallons</u>	<u>Per 100 Gallons</u>	<u>Per 1000 Gallons</u>	<u>Per 100 Gallons</u>	
Residential	\$5.0590	\$0.5059	\$6.3640	\$0.6364	\$1.3050	\$0.1305	26%
Commercial	4.4120	0.4412	5.7120	0.5712	1.3000	0.1300	29%
Industrial	3.8340	0.3834	4.7500	0.4750	0.9160	0.0916	24%
Other Public Authority	4.0530	0.4053	5.1910	0.5191	1.1380	0.1138	28%
Sales for Resale	3.8370	0.3837	4.7600	0.4760	0.9230	0.0923	24%

Fire Protection:

<u>Private Fire Line Size</u>	<u>Current Monthly Rate</u>	<u>Proposed Monthly Rate</u>	<u>\$ Change</u>	<u>% Increase</u>
2"	\$ 8.11	\$ 9.16	\$ 1.05	13%
4"	32.67	36.92	4.25	13%
6"	73.49	83.04	9.55	13%
8"	130.64	147.62	16.98	13%
10"	204.18	230.72	26.54	13%
12"	294.43	332.71	38.28	13%
14"	423.96	479.07	55.11	13%
16"	522.81	590.78	67.97	13%
Private Fire Hydrant	70.90	80.12	9.22	13% Increase
Public Fire Hydrant	39.90	49.16	9.26	23% Increase

Eastern Rockcastle Customers

<u>Meter Size</u>	<u>Present Rate</u>	<u>Proposed Rate</u>	<u>\$ Change</u>	<u>% Change</u>
5/8"	\$28.28 (includes 2000 gallons)	\$15.00 (includes 0 gallons)	\$(13.28)	-47% Decrease
3/4"	28.28 (includes 2000 gallons)	22.40 (includes 0 gallons)	\$(5.88)	-21% Decrease
1"	62.87 (includes 5000 gallons)	37.30 (includes 0 gallons)	\$(25.57)	-41% Decrease
1 1/2"		74.70 (includes 0 gallons)	New	
2"	178.17 (includes 15,000 gallons)	119.50 (includes 0 gallons)	\$(58.67)	-33% Decrease
3"		224.00 (includes 0 gallons)	New	
4"		373.40 (includes 0 gallons)	New	
6"		746.70 (includes 0 gallons)	New	
8"		1194.70 (includes 0 gallons)	New	