



NKWD RATE ADJUSTMENT

The Northern Kentucky Water District (NKWD) application for a rate adjustment has been approved by the Kentucky Public Service Commission (PSC). The two-year phase in of the adjustment will mitigate the impact to its customers. The first adjustment was implemented March 26, 2019. The average residential customer bill* was adjusted approximately 6 cents per day, or \$1.92 per month (from \$34.94 per month to \$36.86 per month), or \$5.76 per quarter (from \$104.82 per quarter to \$110.58 per quarter) for a 5.8% adjustment. The second adjustment will become effective on March 26, 2020. The average customer bill will be adjusted approximately 6 cents per day, or \$1.92 per month (from \$36.86 per month to \$38.78 per month) or \$5.76 per quarter (from \$110.58 per quarter to \$116.34 per quarter) for a 5.8% adjustment. The major drivers for these rate adjustments: recover rates to maintain aging infrastructure through associated depreciation, and associated debt service coverage, partially offset the demand forces not controllable by the District resulting in declining consumption, and recover operating and maintenance expense. NKWD's last rate application was in 2015.

After much deliberation on the most recent rate application to the PSC, NKWD took these factors into account: the current economic conditions of the Northern Kentucky region; its need for additional revenues; how the rate adjustment would impact customers; and the local tolerance for rate increases from utility companies. NKWD spread the adjustment out over two years to lessen the impact on its customers.

The filing of the rate application is part of a very rigorous, thorough, and public process with the PSC. The PSC has a detailed public involvement process that NKWD fully cooperates with as part of its filing for any rate adjustment: 1) NKWD must place three ads in the local paper to notify the public of the filing; and 2) Customers have the opportunity to comment by phone, fax, email, in writing, or appear in person at any public hearing scheduled by the PSC. The PSC also closely regulates NKWD by requiring annual independent audits, annual inspection and review of NKWD operations, annual reporting of financial data, and oversight of construction projects, rates, fees, and service standards.

SIGNIFICANT STEPS IN THE PSC PROCESS:

- **August 24, 2018** – Notice of Intent to File per PSC requirements.
- **September 28, 2018** – NKWD filed rate adjustment application with PSC.
- Legal notices were placed in the publication of general circulation in the NKWD service area notifying the public of the rate adjustment request: **September 27, October 4 & 11, 2018** (*The Enquirer* – daily paper; Boone, Campbell and Kenton County *Recorders* – weekly papers)
- **October 11, 2018** – PSC accepted application
- **March 26, 2019** – Rate adjustment approved by PSC. First adjustment of rates implemented in first quarter billing cycle of 2019.
- **March 26, 2020** – Second adjustment of rates implemented in the first quarter of 2020.

* Based on estimated usage of 4,000 gallons per month (5.3 ccf) billed on a quarterly basis using a 5/8-inch meter size quarterly service charge.



The daily and monthly price of water for the average customer is still a good buy when compared to other monthly bills such as electric, cable, gas, cell phone, etc.

In fact, the daily cost (approx. \$1.30/day) is less than the cost of a 20 ounce soft drink, bottled water, gourmet cup of coffee, or gallon of milk.

Put another way, you can buy over 200 gallons of water for the price of other drinks depicted in the photo.

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