

**A Resolution of the Fayette County Commission Opposing the Rate Increase by
West Virginia American Water Company**

Whereas, West Virginia American Water Company has recently submitted a proposed rate increase to the Public Service Commission; and

Whereas, West Virginia American has proposed a 24% rate increase for residential customers; and

Whereas, West Virginia American Water has benefited from significant rate increases in recent years; and

Whereas, West Virginia American Water Company will benefit from the reduction in the corporate income tax rate 34% to 21%, effective January 1, 2018. The company's 2018 projected income as provided in interrogatories to the Public Service Commission is \$139.7 million with a net income before taxes of \$26.6 million. The tax act of 2018 will yield an additional gain of \$3.49 million, an equivalent of a 13% increase in net income before taxes. These tax savings are perpetual, annual savings; and

Whereas, Fayette County in partnership with West Virginia American Water has enjoyed considerable distribution system expansion of safe drinking water; those expanded coverages have been highly leveraged by the county utilizing state and federal low interest loans and grants, allowing West Virginia American Water Company to benefit from a system highly subsidized by public dollars; and

Whereas, the ownership of those infrastructure improvements have been retained by the county thus allowing an exempt status for property tax which otherwise would be obligated by West Virginia American Water Company; and

Whereas, as with most counties in southern West Virginia, following the decline in the coal markets, Fayette County has experienced challenging economic times for its citizens; and

Whereas, the median household income in Fayette County is a full 10% (\$4,000) less than the average for our state median household income, and this increase represents an additional financial burden; and

Whereas, the Fayette County Commission acting on the behalf of our 47,000 citizens strongly oppose the rate increase requested.

NOW, THEREFORE BE IT RESOLVED BY THE COUNTY COMMISSION OF FAYETTE COUNTY, WEST VIRGINIA, that the County Commission does hereby **OPPOSE** this proposed rate increase by West Virginia American Water Company and requests that the West Virginia Public Service Commission **REJECT** these unwarranted increases.


BE IT FURTHER RESOLVED that the County Administrator is directed to send a copy of this resolution to the Public Service Commission Director upon passage.

Signed this the 3rd day of August, 2018.


Fayette County Commission



Matthew Wender, President



Denise Scalph, Commissioner



John Brenemen, Commissioner