

CANCELLED

KENTUCKY-AMERICAN WATER COMPANY

P.S.C. KY NO. 9

July 1, 2021

First Sheet No. 48

KENTUCKY PUBLIC SERVICE COMMISSION QUALIFIED INFRASTRUCTURE PROGRAM RIDER ("QIP RIDER")

(N) **APPLICABLE SERVICE AREA**

(N) Applicable to the entire Service Territory of Kentucky American Water Company unless
(N) otherwise noted.

(N) **APPLICABILITY OF RIDER**

(N) Applicable to Residential, Commercial, Industrial, Other Public Authority, Sales for Resale,
(N) Public and Private Fire Service and Hydrant customers.

(N) **CALCULATION OF QUALIFIED INFRASTRUCTURE PROGRAM RIDER REVENUE REQUIREMENT**

(N) The QIP Rider Revenue Requirement includes the following:

- (N) a. QIP-eligible Plant In-Service not included in base water rates minus the associated
- (N) QIP-related accumulated depreciation and accumulated deferred income taxes;
- (N) b. Retirement and removal of plant related to QIP-eligible construction;
- (N) c. Return on the net QIP-eligible plant in-service at the overall rate of return on capital
- (N) authorized in the Company's latest base water rate case, grossed up for federal and state
- (N) income taxes;
- (N) d. Depreciation expense on the QIP-eligible Plant In-Service less retirement and
- (N) removals;
- (N) e. Property taxes related to the QIP.

(N) **QIP ELIGIBLE UTILITY PLANT:**

(N) Distribution Infrastructure – distribution and transmission system structures and improvements, mains
(N) and valves installed as replacements for existing facilities; hydrants, distribution tanks; services, meters
(N) and meter installations, power generation and pumping equipment installed as replacements for existing
(N) facilities; unreimbursed funds related to capital projects to relocate facilities required by governmental
(N) infrastructure projects.

(N) Water Treatment Infrastructure – source of supply and water treatment structures, pipe and equipment
(N) including sampling equipment, SCADA equipment, power generation and pumping equipment installed as
(N) replacements for existing facilities.

(N) Indicates new rate or requirement

ISSUED: November 28, 2018

EFFECTIVE: June 28, 2019

ISSUED BY: /s/ Nick O. Rowe

Nick O. Rowe

President

2300 Richmond Road, Lexington, KY 40502

Issued by authority of an Order of the Public Service Commission in Case No. 2018-00358 dated June 27, 2019

Approved:

KENTUCKY PUBLIC SERVICE COMMISSION

Gwen R. Pinson
Executive Director



EFFECTIVE

6/28/2019

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

RATES

All customers subject to this QIP Rider receiving water service shall be assessed a monthly QIP Rider charge in addition to the service charge, consumption charge or monthly fee component of their applicable rate schedule that will enable the Company to complete the Qualified Infrastructure Program.

The QIP Rider will be updated annually and subsequently adjusted to true-up the projected costs with the actual costs. The initial annual prospective QIP period will be the first full twelve month period following the Forecast Test Period utilized by the Commission in establishing Base Rates of the Company in its prior Base Rate Case proceeding. A filing with the projected costs for each twelve month QIP period will be submitted annually at least 90 days prior to the commencement of that QIP period, to become effective with the first day of the QIP period. The Company will submit a balancing adjustment annually no later than 90 days after the end of each 12 month QIP period to true-up the projected program costs and revenues, with the actuals for the same period. The balancing adjustment true-up to the rider will become effective 180 days after the end of the QIP period.

The monthly QIP Rider charges for all respective water service classifications will be calculated as a percentage and applied to all water charges including meter fees, volumetric water sales, fire service fees, and public and private hydrant fees from the Company’s most recent base rate case, but excluding any other surcharge or add-on taxes. It will be listed as a separate line item on the customer bill. The QIP percentage shall be calculated on an annual prospective basis. The QIP Rider charge effective on and after the effective date is:

(I) 0.97%



(I) signifies increase

ISSUED: June 26, 2020
EFFECTIVE: July 1, 2020
ISSUED BY: /s/ Nick O. Rowe
Nick O. Rowe
President
2300 Richmond Road, Lexington, KY 40502

Issued by authority of an Order of the Public Service Commission in Case No. 2020-00027 dated June 17, 2020

Approved by **KENTUCKY PUBLIC SERVICE COMMISSION**
Kent A. Chandler
Acting Executive Director

EFFECTIVE **7/1/2020**
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)