

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY-	)	
AMERICAN WATER COMPANY FOR A	)	CASE NO.
BALANCING ADJUSTMENT FOR ITS QIP	)	2023-00300
CHARGE	)	

ORDER

On September 28, 2023, Kentucky-American Water Company (Kentucky-American) filed for a balancing adjustment and revised tariff with the Commission to true up its Qualified Infrastructure Program (QIP) actual and estimated costs, and to revise the QIP charge in its tariff consistent with the balancing adjustment. Kentucky-American proposed an effective date of February 6, 2024. The Commission issued an Order on October 26, 2023, suspending Kentucky-American’s proposed tariff revisions until March 27, 2024.

There are no intervenors in this proceeding. Kentucky-American responded to one round of discovery. On January 11, 2024, Kentucky-American requested that the case be submitted for a decision based on the evidence in the record, and that the case be decided in conjunction with the Commission’s decision in Case No. 2023-00191.<sup>1</sup> This matter now stands submitted to the Commission for a decision.

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<sup>1</sup> See Case No. 2023-00191, *Electronic Application of Kentucky-American Water Company for an Adjustment of Rates, a Certificate of Public Convenience and Necessity for Installation of Advanced Metering Infrastructure, Approval of Regulatory and Accounting Treatments, and Tariff Revisions* (Ky. PSC May 3, 2024), final Order; Kentucky-American’s Statement Regarding Hearing and Request for Decision (filed Jan. 11, 2024).

## LEGAL STANDARD

In Case No. 2018-00358, the Commission approved Kentucky-American's QIP and required an annual true-up of the projected costs and revenues and the actual costs.<sup>2</sup> Kentucky-American must file the true-up no later than 90 days after the end of the QIP period.<sup>3</sup>

In Case No. 2021-00090, the Commission approved discrete projects with net plant additions totaling \$8,757,692 for the 13-month values for QIP Year 2, June 1, 2021, to June 30, 2022.<sup>4</sup> In Case No. 2022-00032, Kentucky-American argued that, for consistent and sound ratemaking purposes, it was appropriate to update the QIP 2 rate base and revenue requirement to reflect "end-of-period" values given that its QIP 2 replacement projects will become used and useful.<sup>5</sup> The Commission found that Kentucky-American's proposal to revise its QIP 2 surcharge rate to reflect its forecasted "end-of-period" construction investment to be reasonable and, therefore, modified Kentucky-American's QIP 2 surcharge rate to reflect the estimated end-of-period QIP investment of \$20,050,000.<sup>6</sup> In Case No. 2023-00030, the Commission found Kentucky-American's proposal to revise its QIP 3 surcharge rate to reflect its forecasted "end-of-period" construction investment to be reasonable and, therefore, modified Kentucky-

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<sup>2</sup> Case No. 2018-00358, *Electronic Application of Kentucky-American Water Company for an Adjustment of Rates* (Ky. PSC June 27, 2019), Order.

<sup>3</sup> Kentucky-American, PSC KY No. 9, Seventh Sheet No. 49, Cancelling Sixth Sheet No. 49.

<sup>4</sup> See Case No. 2022-00032, *Electronic Application of Kentucky-American Water Company to Amend Tariff to Revise Qualified Infrastructure Program Charge* (Ky. PSC June 30, 2021), Order, Appendix at 1.

<sup>5</sup> Case No. 2022-00032, June 30, 2022 Order at 9.

<sup>6</sup> Case No. 2022-00032, June 30, 2022 Order at 9 and the Appendix at 1.

American's QIP 3 surcharge rate to reflect the estimated end-of-period QIP 3 investment of \$29,387,592.<sup>7</sup>

### BACKGROUND

In Case No. 2018-00358, Kentucky-American requested approval of a QIP Rider to make incremental capital improvements to replace its aging mains that otherwise would not be replaced in a timely manner.<sup>8</sup> In that proceeding, Kentucky-American stated that it would prioritize the replacement of cast iron and galvanized steel mains, which represented 15 percent of the distribution system but accounted for 64.2 percent of annual main breaks.<sup>9</sup> Kentucky-American further stated that the QIP would utilize a “systematic replacement plan” with a 25-year replacement cycle, and provided a list of QIP-eligible projects for the first five years of the QIP.<sup>10</sup>

In approving the QIP Rider, the Commission established a filing schedule, calculation methodology, and filing contents. QIP applications are filed on an annual basis on or before April 2, have a 90-day review period that can be extended for good cause, are based on a forecasted test period of July 1 to June 30, and have an annual true-up filing of projected costs and actual costs. The QIP Rider is based upon a revenue requirement that is the sum of the pre-tax return for qualified additions and removal expenditures, plus the depreciation and property tax for the proposed projects in the

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<sup>7</sup> Case No. 2023-00030, *Electronic Application of Kentucky-American Water Company to Amend Tariff to Revise Qualified Infrastructure Program Charge* (Ky. PSC Sept. 29, 2023), Order at 13 and Appendix at 1.

<sup>8</sup> Case No. 2018-00358, June 27, 2019 Order at 73–74. According to Kentucky-American, its infrastructure was deteriorating at a faster rate than the replacement rate.

<sup>9</sup> Case No. 2018-00358, June 27, 2019 Order at 76.

<sup>10</sup> Case No. 2018-00358, (filed Nov. 28, 2018), Application, Direct Testimony of Brent E. O’Neill (O’Neill Testimony), Exhibit 1 and Exhibit 2 at 12.

forecasted test year. The QIP surcharge percentage is calculated as the amount of the QIP revenue requirement divided by the authorized revenue requirement established in Case No. 2023-00191.<sup>11</sup> The QIP Rider is applied as a percentage to all water revenue, excluding other surcharges or taxes, and is displayed as a separate line item on customer bills.

In Case No. 2020-00027, the Commission rejected Kentucky-American's proposal to include non-main plant replacement projects that were not incidental to main replacement. The Commission found that QIP-eligible plant other than replacement of aging main "may be included in the QIP only if such plant is replaced incidental to the replacement of aging main."<sup>12</sup>

#### PROPOSED BALANCING ADJUSTMENT

In its application, Kentucky-American provided a schedule indicating that of the 58 QIP 3 projects approved by the Commission in Case No. 2022-00032, 30 of the projects were completed under budget, and 28 projects were completed over budget for a total variance of \$1,603,419.<sup>13</sup> Additionally, Kentucky-American had a QIP 2 post in-service over budget variance of \$7,269,903.<sup>14</sup> The overall net effect of Kentucky-American's Capital Expenditures for the QIP 3 Rider Charge was \$8,873,322 more than estimated.<sup>15</sup>

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<sup>11</sup> See Case No. 2023-00191, May 3, 2024 final Order.

<sup>12</sup> See Case No. 2020-00027, *Electronic Application of Kentucky-American Water Company to Amend Tariff for the Establishment of Qualified Infrastructure Program Charge* (Ky. PSC June 17, 2020) Order at 17.

<sup>13</sup> Application, Exhibit 1 at 7-10.

<sup>14</sup> Application, Exhibit 1 at 5-6.

<sup>15</sup> Application, Exhibit 1 at 5-10.

The following are Kentucky-American's explanations for construction cost underruns and overruns by project.<sup>16</sup>

Aylesford: Project is still underway, pending completion of restoration work in summer 2023.

Linden Walk/Rose: Project is still underway, pending completion of restoration work in summer 2023.

Birkenhead Dr/Ct: Estimated paving cost included 8' paving width; actual pavement required was in line with widths but also included intersections and full cul-de-sac bulbs.

Cardiff Dr: Estimated paving cost included 8' paving width; actual pavement required was in line with widths but also included intersections and full cul-de-sac bulbs.

Aldershot Dr: Estimated paving cost included 8' paving width; actual pavement required was in line with widths but also included intersections and full cul-de-sac bulbs.

Cardigan Ct: Estimated paving cost included 8' paving width; actual pavement required was in line with widths but also included intersections and full cul-de-sac bulbs.

Colonial Dr: Project is still underway, pending completion of restoration work in summer 2023. Columbia Gas and LFUCG sanitary sewer initiated projects in this area and paving coordination will occur.

Standish Way: Project is still underway, pending completion of restoration work in summer 2023. Columbia Gas and LFUCG sanitary sewer initiated projects in this area and paving coordination will occur.

Bryanwood Pkwy: Project is still underway, pending completion of restoration work in summer 2023.

Gaines Village Dr: Project is still underway, pending completion of restoration work in summer 2023.

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<sup>16</sup> Application, Exhibit 1 at 7-10.

Grace Dr: Estimated paving cost included 8' paving width; actual pavement required was in line with widths but also included intersection and full cul-de-sac bulb.

Ox Hill Dr: Project is still underway, pending completion of service line and restoration work in summer 2023.

Stephen Foster Dr/Versie Ct/Jannelle Ct: Project is still underway, pending completion of service line and restoration work in summer 2023. One additional valve was required when an existing valve broke in the closed position.

River Park Dr: Pavement extents and temporary restoration greater than planned. This area is a potential paving cost-share with LFUCG.

Golden Gate Park: Pavement extents and temporary restoration greater than planned. This area is a potential paving cost-share with LFUCG.

Atokad Park: Pavement extents and temporary restoration greater than planned. This area is a potential paving cost-share with LFUCG.

Beulah Park Ct: Additional 8" tap not included in original estimate. Pavement extents and temporary restoration greater than planned. This area is a potential paving cost-share with LFUCG.

Ak Sar Ben Park: Project is still underway, pending completion of restoration work in summer 2023.

Ascot Park: Pavement extents and temporary restoration greater than planned. This area is a potential paving cost-share with LFUCG.

Kentucky Ave South: Contractor bids were higher than originally estimated. Nearly all service lines along this road required full replacement and additional plumbing services. This area served as a temporary concrete restoration pilot project with LFUCG.

Kentucky Ave North: Contractor bids were higher than originally estimated. Nearly all service lines along this road required full replacement and additional plumbing services.

This area served as a temporary concrete restoration pilot project with LFUCG.

Woodland Ave North: Contractor bids were higher than originally estimated. Nearly all service lines along this road required full replacement and additional plumbing services. This area served as a temporary concrete restoration pilot project with LFUCG.

American Ave: Project is still underway, pending completion of restoration work in summer 2023.

Southern Ave: Project is still underway, pending completion of restoration work in summer 2023.

Camden Ave: Project is still underway, pending completion of restoration work in summer 2023.

Stanley Ave: Project is still underway, pending completion of restoration work in summer 2023.

Lone Oak Dr/Southbend Dr: Project is still underway, pending completion of restoration work in summer 2023.

Greenwood Ave: Project was delayed to future QIP period due to LFUCG roadway access restrictions.

Bradley Ct: Project was delayed to future QIP period due to LFUCG roadway access restrictions.

Douglas Ave: Contractor bids were higher than originally estimated. Project is still underway, pending completion of service line and restoration work in summer 2023.

Chiles Ave: Contractor bids were higher than originally estimated. Project is still underway, pending completion of service line and restoration work in summer 2023. An unplanned storm sewer conflict also added cost.

Breathitt Ave: Contractor bids were higher than originally estimated. Project is still underway, pending completion of service line and restoration work in summer 2023.

Florence Ave: Contractor bids were higher than originally estimated. Project is still underway, pending completion of service line and restoration work in summer 2023.

Woodstock Cir: Project is still underway, pending completion of restoration work in summer 2023.

Woodside Way/Ct: Project is still underway, pending completion of restoration work in summer 2023.

Malabu Cir: Project is still underway, pending completion of restoration work in summer 2023.

Tanforan Dr/Ct: Contractor bids were higher than originally estimated. Project is still underway, pending completion of service line and restoration work in summer 2023.

Waterford Park: Contractor bids were higher than originally estimated. Project is still underway, pending completion of service line and restoration work in summer 2023.

Narragansett Park: Contractor bids were higher than originally estimated. Project is still underway, pending completion of service line and restoration work in summer 2023.

Oaklawn/Maywood Park: Contractor bids were higher than originally estimated. Project is still underway, pending completion of service line and restoration work in summer 2023.

Canonero/Gunbow/Personality: Contractor bids were higher than originally estimated. Pavement extents greater than planned.

Moundview Ct: Project is still underway, pending completion of restoration work in summer 2023.

Wood Valley Ct: Project is still underway, pending completion of restoration work in summer 2023.

Derby Dr: Project is still underway, pending completion of restoration work in summer 2023.

Headley Ave: Project is still underway, pending completion of restoration work in summer 2023. Change order item for an additional valve excavation and change in connection type (from cut/cap to use of tee fittings).

Jane St: Additional cast iron main found in the area and added to scope of work. Additional 8" tap required. Project is still underway, pending completion of restoration work in summer 2023.

Ferguson St/Martin St: Project is still underway, pending completion of restoration work in summer 2023.

Coolidge St: Project is still underway, pending completion of restoration work in summer 2023.

Anderson St: Project is still underway, pending completion of restoration work in summer 2023.

Warren Ct: Slight additions to materials and pavement quantities.

Chrysalis Ct: Slight additions to materials and pavement quantities.

Kenton St: Project is still underway, pending completion of restoration work in summer 2023.

Campbell St: Project is still underway, pending completion of restoration work in summer 2023.

Toner St/Sheila Ct/Harken Ct: Nearly all service lines along this road required full replacement and additional plumbing services. This area is a historic area and additional protection measures were needed during restoration.

Elsmere Park: Nearly all service lines along this road required full replacement and additional plumbing services. This area is a historic area and additional protection measures were needed during restoration. Specialty curb sections and concrete pavement were required per LFUCG Historic Preservation.

Briarwood Dr: Project is still underway, pending completion of service line and restoration work in summer 2023.

Redwood Dr/Cir: Project is still underway, pending completion of service line and restoration work in summer 2023.

Edinburgh Ct: Project is still underway, pending completion of restoration work in summer 2023.

Comparing Kentucky-American's calculation of the QIP 3 actual revenue requirement of \$1,572,269<sup>17</sup> to the QIP 3 estimated revenue requirement based on the estimated "end of period" amount of \$3,545,562<sup>18</sup> results in a decrease in QIP 3 revenue requirement of \$1,973,296. This includes actual costs for retirements, cost of removal, depreciation accrual, accumulated deferred taxes, pre-tax rate of return, depreciation expense and property taxes. Additionally, Kentucky-American's net billed revenues over collected the authorized amount by \$145,430 for QIP 2.<sup>19</sup> Not all of Kentucky-American's QIP 3 projects were placed in service as of June 30, 2023, as some of the projects have costs that will be incurred after June 30, 2023, which will bring those projects to full completion.<sup>20</sup> Kentucky-American calculated a total under recovery of \$115,658 for QIP 3.<sup>21</sup>

Kentucky-American made assumptions in its application that QIP 4 would be recovered through base rates and no longer apart of the QIP rider charge based on its proposal in its 2023-00191 rate case.<sup>22</sup> In its QIP balancing adjustment application, Kentucky-American did not include QIP 4 in its adjustment calculations and made its

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<sup>17</sup> Application, Exhibit 1 at 4, line 26.

<sup>18</sup> See Case No. 2023-00030, *Electronic Application of Kentucky-American Water Company to Amend Tariff to Revise Qualified Infrastructure Program Charge* (Ky. PSC Mar. 1, 2023) (Workpapers, KAW\_DT\_JN\_WP\_030123.xlsx) at 2023\_QIP Revenues.

<sup>19</sup> Application, Exhibit 1 at 1.

<sup>20</sup> Application, Exhibit 1 at 5-10.

<sup>21</sup> Application, Exhibit 1 at 1.

<sup>22</sup> Application, Jeffrey Newcomb Testimony (Newcomb Testimony) at 4.

adjustment only on the under recovery of the QIP 3 period.<sup>23</sup> In the final Order in Case No. 2023-00191 QIP 4 was not removed from the QIP rider charge.<sup>24</sup>

In order to true up the under collection, Kentucky-American asserted that its QIP Rider Charge should be decreased from 8.27 percent<sup>25</sup> to 0.09 percent.<sup>26</sup> Kentucky-American stated the effect on the average residential customer bill would be an increase of \$0.04 per month.<sup>27</sup> In its calculation of its QIP true up Kentucky-American used its proposed base revenues from its pending rate case<sup>28</sup> of \$137,898,823 and prorated proposed base revenues of \$135,638,187.<sup>29</sup>

The table below compares Kentucky-American's original projected construction costs to the actual costs by project.

QIP 3 Main Replacements:	Original Project Cost Estimates	Actuals as of 06/30/2023	Over and (Under) Spending
Aylesford	\$ 397,500	\$ 360,060	\$ (37,440)
Linden Walk/Rose	503,500	425,130	(78,370)
Birkenhead Dr/Ct	450,500	687,691	237,191
Cardiff Dr	291,500	302,168	10,668
Aldershot Dr	318,000	385,094	67,094
Cardigan Ct	132,500	182,908	50,408
Colonial Dr	636,000	582,995	(53,005)
Standish Way	583,000	299,631	(283,369)
Bryanwood Pkwy	821,500	696,821	(124,679)
Gaines Village Dr	675,750	395,641	(280,109)
Grace Dr	185,500	239,751	54,251
Ox Hill Dr	185,500	169,279	(16,221)

<sup>23</sup> Application, Exhibit 2.

<sup>24</sup> See Case No. 2023-00191, May 3, 2024 final Order.

<sup>25</sup> Case No. 2023-00030, Sept. 29, 2023 final Order.

<sup>26</sup> Application, Exhibit 2.

<sup>27</sup> Application, Newcomb Testimony, at 4-5.

<sup>28</sup> See Case No. 2023-00191, June 30, 2023 Application.

<sup>29</sup> Application.

QIP 3 Main Replacements:	Original Project Cost Estimates	Actuals as of 06/30/2023	Over and (Under) Spending
Stephen Foster Dr/Versie Ct/Jannelle Ct	641,300	545,966	(95,334)
River Park Dr	516,750	1,029,281	512,531
Golden Gate Park	132,500	206,439	73,939
Atokad Park	172,250	257,445	85,195
Beulah Park Ct	92,750	172,372	79,622
Ak Sar Ben Park	212,000	302,144	90,144
Ascot Park	198,750	274,654	75,904
Kentucky Ave South	397,500	1,014,844	617,344
Kentucky Ave North	416,050	750,664	334,614
Woodland Ave North	424,000	781,798	357,798
American Ave	556,500	655,420	98,920
Southern Ave	172,250	132,137	(40,113)
Camden Ave	145,750	120,657	(25,093)
Stanley Ave	106,000	81,618	(24,382)
Lone Oak Dr/Southbend Dr	463,750	344,049	(119,701)
Greenwood Ave	198,750	-	(198,750)
Bradley Ct	222,600	-	(222,600)
Douglas Ave	384,250	382,975	(1,275)
Chiles Ave	318,000	294,668	(23,332)
Breathitt Ave	318,000	310,720	(7,280)
Florence Ave	344,500	236,914	(107,586)
Woodstock Cir	132,500	108,720	(23,780)
Woodside Way/Ct	159,000	153,541	(5,459)
Malabu Cir	238,500	202,222	(36,278)
Tanforan Dr/Ct	583,000	455,711	(127,289)
Waterford Park	159,000	131,918	(27,082)
Narragansett Park	92,750	103,239	10,489
Oaklawn/Maywood Park	172,250	198,383	26,133
Canonero/Gunbow/Personaliy	355,100	865,882	510,782
Moundview Ct	243,800	220,169	(23,631)
Wood Valley Ct	241,150	241,815	665
Derby Dr	235,850	247,667	11,817
Headley Ave	402,800	485,743	82,943
Jane St	185,500	243,562	58,062
Ferguson St/Martin St	227,900	185,398	(42,502)
Coolidge St	132,500	111,448	(21,052)
Anderson St	180,200	136,929	(43,271)
Warren Ct	92,750	103,510	10,760
Chrysalis Ct	92,750	106,166	13,416
Kenton St	212,000	228,992	16,992

QIP 3 Main Replacements:	Original Project Cost Estimates	Actuals as of 06/30/2023	Over and (Under) Spending
Campbell St	212,000	225,831	13,831
Toner St/Sheila Ct/Harken Ct	238,500	328,878	90,378
Elsmere Park	225,250	622,222	396,972
Briarwood Dr	596,250	596,190	(60)
Redwood Dr/Cir	795,000	533,938	(261,062)
Edinburgh Ct	87,450	52,114	(35,336)
Totals	<u>\$ 17,908,700</u>	<u>\$ 19,512,122</u>	<u>\$ 1,603,422</u>

### DISCUSSION AND FINDINGS

Based upon the evidence of record, the Commission finds that Kentucky-American's proposed decrease in the QIP charge from 4.49 percent to 0.09 percent is denied. Kentucky-American used a proposed base revenues amount in its true up calculation and not the actual base revenues from its rate case. Kentucky-American also did not include QIP 4 in its calculation. The projects undertaken are consistent with the projects approved by the Commission in 2023-00030.

In the Appendix to this Order, the Commission calculated Kentucky-American's QIP true up using base revenues of \$122,919,594,<sup>30</sup> prorated base revenues of \$40,411,921,<sup>31</sup> and included Kentucky-American's QIP 4.<sup>32</sup> The Commission's calculation used base revenues from the final Order Kentucky-American's rate case while including QIP 4. In its application, Kentucky-American requested the effective true up period be from February 6, 2024, to January 31, 2025.<sup>33</sup> The Commission is moving the

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<sup>30</sup> See Case No. 2023-00191, May 3, 2024 final Order.

<sup>31</sup> 5/3/2024 - 8/31/2024 = 120 Days Reconciliation Effective Period.

<sup>32</sup> Kentucky-American's Response to Commission Staff's First Request for Information (filed Dec. 1, 2023), Item 15, KAW\_R\_PSCDR1\_NUM015\_120123\_Attachment.xlsx.

<sup>33</sup> Application, Newcomb Testimony at 3-4.

requested effective true up period to May 3, 2024, to August 31, 2024. The movement of the effective period by the Commission will allow Kentucky-American 30 days to prepare and file a QIP 5 90 days before the end of the effective period. This will allow Kentucky-American's QIP 5 to be effective September 1, 2024. With this change, September 1 will be the new annual effective date for all future QIP true up filings.

Kentucky-American's QIP Rider Charge was determined to be decreased from 8.27 percent<sup>34</sup> to 6.58 percent. The Commission calculated the effect on the average residential customer bill of a decrease of \$0.84 per month using an average customer bill of \$49.73 at 3,863 gallons.

Based upon the evidence of record, the Commission finds that Kentucky-American's QIP charge is decreased from 8.27 percent to 6.58 percent.

IT IS THEREFORE ORDERED that:

1. The QIP Rider of 0.09 percent proposed by Kentucky-American is denied.
2. The QIP Rider of 6.58 percent as calculated in the Appendix attached is approved.
3. The QIP Rider of 6.58 percent is fair, just and reasonable, and is approved for service rendered on May 3, 2024, through August 31, 2024.
4. Kentucky-American shall file its QIP 5 30 days from the date of service of this Order.
5. Kentucky-American shall maintain and, in all future QIP filings, file records of projected and actual costs in sufficient detail so that the amount and percent resulting from pavement restoration is clearly designated.

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<sup>34</sup> Case No. 2023-00030, Sept. 29, 2023 final Order.

6. Within 20 days of the date of this Order, Kentucky-American shall, using the Commission's electronic Tariff Filing System, file its revised tariffs setting out the rates authorized in this Order and the revised QIP Rider and reflecting they were approved pursuant to this Order, and stating that Kentucky-American's QIP rate base in any forecasted period will be calculated in a manner consistent with 807 KAR 5:001, Section 16(6)(c).

7. This case is now closed and removed from the Commission's docket.

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PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

ENTERED  
MAY 03 2024 rcs  
KENTUCKY PUBLIC  
SERVICE COMMISSION

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2023-00300 DATED MAY 03 2024

Line No.	Description	Amount
1	Billed Revenues - July 1, 2022-June 30, 2023	\$ 4,630,184
2	Less: QIP 2 Variance - Under/(Over) Recovery	(145,430)
3	Net Billed Revenues - July 1, 2022-June 30, 2023	4,775,614
4		
5	QIP 3 Revenue Requirement	4,891,272
6	Less: Net Billed Revenues - July 1, 2021-June 30, 2023	4,775,614
7	Under/(Over) Recovery Variance	<u>115,658</u>
8		
9	Authorized Revenues Case No. 2023-00191	122,919,594
10	Divide by: Prorated Authorized Revenues Case No. 2023-00191 [A]	<u>40,411,921</u>
11	QIP 3 Balancing Adjustment Rider Charge	<u>0.29%</u>
12		
13	QIP 4 Revenue Requirement	7,735,980
14	Divide by: Authorized Revenues Case No. 2023-00191	<u>122,919,594</u>
15	QIP 4 Rider Charge	6.29%
16	Add: QIP 3 Balancing Adjustment	<u>0.29%</u>
17	Total QIP 4 Rider Charge-Adjusted Case No. 2023-00300	<u>6.58%</u>
18		
19	Total QIP 4 Rider Charge-Adjusted Case No. 2023-00300	6.58%
20	Less: QIP 4 Rider Charge - Case No. 2023-0030	<u>8.27%</u>
21	Change - QIP 4 Rider Charge	<u>-1.69%</u>
22		
23	Balancing Adjustment Monthly Bill Impact	
24	(Average Residential Customer using 3,863 gal)	<u>\$ (0.84)</u>

[A] QIP 3 Balancing Adjustment Rider Effective Days - 120

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