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PSC Issues an Order for Kentucky-American Water Rate Case

Case #2025-00122

FRANKFORT, Ky. (December 16, 2025) – – The Kentucky Public Service Commission (PSC) issued an Order approving Kentucky-American Water company's request for a rate increase. The approved increased rate for a residential customer utilizing approximately 3,942 gallons per month results in a monthly increase of \$6.82, or 14.31 percent, from \$44.08 to \$50.90.

The approved residential volumetric charge would be \$0.0078656 per gallon which would translate to \$7.8656 per 1,000 gallons. In the Order, the PSC approved a \$19.89 minimum bill for residential and commercial customers. Commercial customers will be charged \$0.0080066 per gallon, or \$8.0066 per 1,000 gallons. In its application, Kentucky-American had requested an increase in water revenues of \$26.9 million per year for the forecasted test period. Kentucky-American asserted this would result in a 19.9 percent increase in water service revenues. The Commission found a total revenue requirement increase of \$18,200,097, or 13.33% to be reasonable.

The Attorney General of the Commonwealth of Kentucky, by and through the, Office of Rate Intervention and Lexington Fayette Urban County Government were granted intervention in this matter.



Today's order, a video of the hearing, and other records in the case are available on the PSC website, psc.ky.gov. The case numbers are 2025-00122.

Kentucky-American Water, a wholly owned subsidiary of American Water Works Company, Inc. (American Water), is a jurisdictional utility that distributes and sells water across three divisions, including its Central Division, which consists of Bourbon, Clark, Fayette, Harrison, Jessamine, Nicholas, Scott, and Woodford counties; its Northern Division, which consists of Gallatin, Owen, Grant, and Franklin counties; and its Southern Division, which consists of Rockcastle and Jackson counties. Kentucky-American provides water service to more than 139,532 customers throughout its three divisions.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,100 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and has approximately 90 employees.

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