

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF KENTUCKY-)	
AMERICAN WATER COMPANY FOR AN)	CASE NO. 2021-00434
ADJUSTMENT OF ITS WASTEWATER)	
RATES PURSUANT TO 807 KAR 5:076)	

SUPPLEMENTAL TESTIMONY OF TRICIA SINOPOLE
DIRECTOR, RATES AND REGULATORY
KENTUCKY-AMERICAN WATER COMPANY, INC.

Filed: February 28, 2022

1 **I. INTRODUCTION**

2 **Q. Please state your name, position, and business address.**

3 A. My name is Tricia Sinopole. I am the Director, Rates and Regulatory for Kentucky-
4 American Water Company (“KAW” or “the Company”). My business address is 2300
5 Richmond Road, Lexington, Kentucky 40502.

6 **Q. Have you previously filed testimony at the Kentucky Public Service Commission**
7 **(“Commission”)?**

8 A. Yes. I filed direct testimony in this case, Case No. 2021-00434.

9 **Q. What is the purpose of your supplemental testimony?**

10 A. The purpose of my supplemental testimony is to revise Kentucky-American’s billing
11 determinants that were used for rate design in KAW’s original filing submitted on
12 December 1, 2021 in the 6. KAWC Case No 2021-00434 Bill Analysis Attachment. An
13 issue was discovered in the number of billing determinants used for customers with a meter
14 size greater than or equal to one inch.

15 **Q. Can you elaborate further on this issue?**

16 A. Certainly. The billing determinants issue pertains to customers who have a meter size
17 greater than or equal to one inch. When the original rate design was done, the monthly
18 service charges were segregated by meter size and rates were designed as such to
19 distinguish those customers with a meter size less than one inch and those with a meter size
20 greater than or equal to one inch. When the original rate design was done, the wastewater
21 account detail data was used to develop the billing determinant information for the case.
22 Since wastewater account data doesn’t currently contain meter size information, meter
23 sizes were estimated based on usage data.

1 However, metering information does exist for KAW water customers and is available for
2 the wastewater customers KAW also serves within the same areas. This means that the
3 meter information is available on the water side for all KAW wastewater customers except
4 for those in Ridgewood. Because the contract account and installation numbers are
5 different for the same water and wastewater customer, it wasn't known that the water meter
6 size could be pulled for wastewater customers. Subsequently, and as part of an unrelated
7 analysis, it was discovered that the meter counts by meter size for water customers in the
8 areas we serve wastewater were not consistent with meter counts by size that were assumed
9 in the original billing determinants filed on December 1, 2021 in this case. Based on the
10 information analyzed for water customers in the areas KAW serves wastewater, KAW is
11 proposing a different set of billing determinants for meter size.

12 **Q. How many billing determinants were misclassified as greater than or equal to one**
13 **inch in the original filing?**

14 A. In total, there were 1,586 billing determinants misclassified as greater than or equal to one
15 inch. These 1,586 billing determinants should have been classified as less than one inch.
16 The billing determinant represents the annual number amount billed each year and not the
17 customer count. Below are the number of billing determinants misclassified by area:

- 18 • Millersburg = 355
- 19 • Owenton = 641
- 20 • North Middletown = 479
- 21 • Rockwell = 111

22 **Q. Is there an impact to the revenue requirement as a result of this misclassification of**
23 **meter sizes?**

1 A. No. There is no impact to the revenue requirement.

2 **Q. Would there be an impact to the amount of revenue KAW actually collects from its**
3 **wastewater customers?**

4 A. Yes, there would be. If the billing determinants are left unchanged as filed on December 1,
5 2021, KAW would never actually collect its full revenue requirement using the original
6 rate design billing determinants.

7 **Q. Can you explain why KAW would never collect its full revenue requirement?**

8 A. Certainly. KAW proposed having a separate charge for those customers with meters less
9 than one inch and those with meters one inch and larger. In the final year of the proposed
10 rate phase-in, KAW proposed the charge for those with a meter less than one inch to be
11 \$37.28 and those with a meter one inch and larger to be \$201.68. If you take the 1,586
12 misclassified meter size billing determinants times the difference in the proposed meter
13 charges, KAW would under collect \$260,738 ($\37.28 less $\$201.68 = -\164.40 times 1,586
14 $= -\$260,738$) in the final year of the phase-in and each year thereafter. KAW would under
15 collect in the first three years of the phase-in as well, but year four was used for illustrative
16 purposes.

17 **Q. Based on this discovery, is KAW proposing the rate design be updated in this case?**

18 A. Yes. Please see attachment KAW_Case No. 2021-00343_Supplemental Bill
19 Analysis_022822 in Excel.

20 **Q. What is the impact to customers for the update in the proposed rate design?**

21 A. The table below shows the total impact, as well as the impact for each year of the phase-
22 in, to customers based on an average bill for each customer class within each area.

Area	Average Usage	Total Impact on		June 2022 Impact		June 2023 Impact		June 2024 Impact		June 2025 Impact	
		Average Bill									
Ridgewood											
Residential	Flat Rate	\$ 54.86	156.1%	\$ 9.33	26.5%	\$ 12.07	27.1%	\$ 15.36	27.2%	\$ 18.10	25.2%
Millersburg											
Residential	2,702	\$ 60.16	191.9%	\$ 9.92	31.6%	\$ 12.94	31.4%	\$ 16.25	30.0%	\$ 21.05	29.9%
Commercial	10,960	\$ 243.09	191.2%	\$ 40.07	31.5%	\$ 52.27	31.3%	\$ 65.66	29.9%	\$ 85.09	29.8%
OPA	2,262	\$ 256.73	978.4%	\$ 42.35	161.4%	\$ 55.21	80.5%	\$ 69.32	56.0%	\$ 89.86	46.5%
Owenton											
Residential	2,583	\$ 55.73	162.0%	\$ 10.03	29.2%	\$ 12.27	27.6%	\$ 14.88	26.2%	\$ 18.55	25.9%
Commercial	11,952	\$ 258.65	218.6%	\$ 46.55	39.3%	\$ 56.95	34.5%	\$ 69.02	31.1%	\$ 86.13	29.6%
OPA	5,614	\$ 256.58	398.5%	\$ 46.17	71.7%	\$ 56.48	51.1%	\$ 68.47	41.0%	\$ 85.45	36.3%
North Middletown											
Residential	3,238	\$ 61.25	167.7%	\$ 10.11	27.7%	\$ 13.18	28.3%	\$ 17.13	28.6%	\$ 20.83	27.1%
Commercial	9,449	\$ 264.95	283.8%	\$ 43.73	46.8%	\$ 56.97	41.6%	\$ 74.16	38.2%	\$ 90.08	33.6%
OPA	5,463	\$ 261.08	447.0%	\$ 43.09	73.8%	\$ 56.14	55.3%	\$ 73.09	46.4%	\$ 88.76	38.5%
Rockwell											
Residential	2,932	\$ 61.53	188.3%	\$ 9.22	28.2%	\$ 12.31	29.4%	\$ 17.23	31.8%	\$ 22.77	31.9%
Commercial	21,973	\$ 385.54	644.8%	\$ 62.49	104.5%	\$ 76.04	62.2%	\$ 106.34	53.6%	\$ 140.67	46.2%
Industrial	27,880	\$ 409.76	540.1%	\$ 66.16	87.2%	\$ 80.88	57.0%	\$ 113.07	50.7%	\$ 149.65	44.5%

1

2 **Q. How does this compare to the impact from the original rate design?**

3 A. The table below shows the additional increase to the average monthly customer bill from
4 what was proposed in the original rate design.

Increase/(Decrease) Versus Original Rate Design											
Area	Average Usage	Total Impact on Average Bill Difference		June 2022 Difference		June 2023 Difference		June 2024 Difference		June 2025 Difference	
Ridgewood											
Residential	Flat Rate	\$ -	0.0%	\$ (0.00)	0.0%	\$ (0.00)	0.0%	\$ 0.00	0.0%	\$ 0.00	0.0%
Millersburg											
Residential	2,702	\$ 15.32	34.2%	\$ 2.51	33.9%	\$ 3.30	34.2%	\$ 4.14	34.2%	\$ 5.37	34.2%
Commercial	10,960	\$ 61.88	34.1%	\$ 10.17	34.0%	\$ 13.28	34.1%	\$ 16.73	34.2%	\$ 21.70	34.2%
OPA	2,262	\$ 46.63	22.2%	\$ 7.68	22.1%	\$ 10.04	22.2%	\$ 12.59	22.2%	\$ 16.33	22.2%
Owenton											
Residential	2,583	\$ 15.08	37.1%	\$ 2.72	37.1%	\$ 3.31	37.0%	\$ 4.03	37.2%	\$ 5.02	37.1%
Commercial	11,952	\$ 63.06	32.2%	\$ 11.35	32.2%	\$ 13.89	32.2%	\$ 16.84	32.3%	\$ 20.99	32.2%
OPA	5,614	\$ 53.28	26.2%	\$ 9.58	26.2%	\$ 11.74	26.2%	\$ 14.21	26.2%	\$ 17.75	26.2%
North Middletown											
Residential	3,238	\$ 16.42	36.6%	\$ 2.72	36.8%	\$ 3.52	36.5%	\$ 4.59	36.6%	\$ 5.58	36.6%
Commercial	9,449	\$ 59.80	29.2%	\$ 9.89	29.2%	\$ 12.87	29.2%	\$ 16.71	29.1%	\$ 20.34	29.2%
OPA	5,463	\$ 53.03	25.5%	\$ 8.77	25.5%	\$ 11.39	25.5%	\$ 14.84	25.5%	\$ 18.03	25.5%
Rockwell											
Residential	2,932	\$ 15.79	34.5%	\$ 2.36	34.4%	\$ 3.18	34.8%	\$ 4.42	34.5%	\$ 5.83	34.4%
Commercial	21,973	\$ 74.99	24.1%	\$ 11.22	21.9%	\$ 15.11	24.8%	\$ 20.91	24.5%	\$ 27.75	24.6%
Industrial	27,880	\$ 82.02	25.0%	\$ 12.28	22.8%	\$ 16.53	25.7%	\$ 22.86	25.3%	\$ 30.35	25.4%

1

2 **Q. What would the new average monthly customer bill be using the updated proposed**
3 **rate design?**

4 **A.** The table below shows the updated average monthly bill for each customer class by area
5 for each year of the proposed rate phase-in, as well as the current and original proposed
6 monthly bill.

Area	Current Bill	2022 Average Bill		2023 Average Bill		2024 Average Bill		2025 Average Bill	
		Original	Updated	Original	Updated	Original	Updated	Original	Updated
Ridgewood									
Residential	\$ 35.14	\$ 44.47	\$ 44.47	\$ 56.54	\$ 56.54	\$ 71.90	\$ 71.90	\$ 90.00	\$ 90.00
Millersburg									
Residential	\$ 31.34	\$ 38.75	\$ 41.26	\$ 48.39	\$ 54.20	\$ 60.50	\$ 70.46	\$ 76.19	\$ 91.51
Commercial	\$ 127.14	\$ 157.04	\$ 167.21	\$ 196.03	\$ 219.48	\$ 244.96	\$ 285.14	\$ 308.34	\$ 370.23
OPA	\$ 26.24	\$ 60.92	\$ 68.59	\$ 106.09	\$ 123.80	\$ 162.82	\$ 193.11	\$ 236.35	\$ 282.97
Owenton									
Residential	\$ 34.39	\$ 41.70	\$ 44.42	\$ 50.66	\$ 56.69	\$ 61.50	\$ 71.56	\$ 75.04	\$ 90.12
Commercial	118.34	\$ 153.54	\$ 164.89	\$ 196.61	\$ 221.84	\$ 248.79	\$ 290.87	\$ 313.93	\$ 376.99
OPA	64.38	\$ 100.98	\$ 110.56	\$ 145.72	\$ 167.04	\$ 199.98	\$ 235.51	\$ 267.68	\$ 320.96
North Middletown									
Residential	\$ 36.52	\$ 43.91	\$ 46.63	\$ 53.57	\$ 59.81	\$ 66.11	\$ 76.95	\$ 81.35	\$ 97.77
Commercial	93.37	\$ 127.21	\$ 137.10	\$ 171.32	\$ 194.07	\$ 228.77	\$ 268.24	\$ 298.51	\$ 358.31
OPA	58.41	\$ 92.73	\$ 101.50	\$ 137.48	\$ 157.64	\$ 195.73	\$ 230.73	\$ 266.46	\$ 319.49
Rockwell									
Residential	\$ 32.67	\$ 39.53	\$ 41.89	\$ 48.66	\$ 54.20	\$ 61.47	\$ 71.43	\$ 78.40	\$ 94.20
Commercial	\$ 59.80	\$ 111.07	\$ 122.29	\$ 172.00	\$ 198.33	\$ 257.43	\$ 304.67	\$ 370.35	\$ 445.34
Industrial	\$ 75.86	\$ 129.74	\$ 142.02	\$ 194.09	\$ 222.90	\$ 284.30	\$ 335.97	\$ 403.60	\$ 485.62

1

2 **Q. What is the average bill percent increase using the updated rate design?**

3 A. The table below shows the updated average bill percent increase for each customer class
4 by area for each year of the proposed rate phase-in, as well as the original proposed monthly
5 percent increase.

Area	Current Bill	2022 Average Bill % Increase		2023 Average Bill % Increase		2024 Average Bill % Increase		2025 Average Bill % Increase		Total Average Bill % Increase	
		Original	Updated	Original	Updated	Original	Updated	Original	Updated	Original	Updated
Ridgewood											
Residential	\$ 35.14	26.6%	26.5%	27.1%	27.1%	27.2%	27.2%	25.2%	25.2%	156.1%	156.1%
Millersburg											
Residential	\$ 31.34	23.6%	31.6%	24.9%	31.4%	25.0%	30.0%	25.9%	29.9%	143.1%	191.9%
Commercial	\$ 127.14	23.5%	31.5%	24.8%	31.3%	25.0%	29.9%	25.9%	29.8%	142.5%	191.2%
OPA	\$ 26.24	132.2%	161.4%	74.2%	80.5%	53.5%	56.0%	45.2%	46.5%	800.7%	978.4%
Owenton											
Residential	\$ 34.39	21.3%	29.2%	21.5%	27.6%	21.4%	26.2%	22.0%	25.9%	118.2%	162.0%
Commercial	118.34	29.7%	39.3%	28.0%	34.5%	26.5%	31.1%	26.2%	29.6%	165.3%	218.6%
OPA	64.38	56.8%	71.7%	44.3%	51.1%	37.2%	41.0%	33.9%	36.3%	315.8%	398.5%
North Middletown											
Residential	\$ 36.52	20.2%	27.7%	22.0%	28.3%	23.4%	28.6%	23.1%	27.1%	122.8%	167.7%
Commercial	93.37	36.3%	46.8%	34.7%	41.6%	33.5%	38.2%	30.5%	33.6%	219.7%	283.8%
OPA	58.41	58.8%	73.8%	48.3%	55.3%	42.4%	46.4%	36.1%	38.5%	356.2%	447.0%
Rockwell											
Residential	\$ 32.67	21.0%	28.2%	23.1%	29.4%	26.3%	31.8%	27.6%	31.9%	140.0%	188.3%
Commercial	\$ 59.80	85.8%	104.5%	54.8%	62.2%	49.7%	53.6%	43.9%	46.2%	519.3%	644.8%
Industrial	\$ 75.86	71.0%	87.2%	49.6%	57.0%	46.5%	50.7%	42.0%	44.5%	432.0%	540.1%

2 **Q. What do you recommend in regard to the rate design?**

3 A. I recommend that the updated billing determinants and rate design be approved as amended
 4 by my supplemental testimony.

5 **Q. How do you intend to notify customers of the updated rate design and the resulting
 6 impact on proposed customer rates?**

7 A. KAW provided notice to customers by mail when it filed its December 1, 2021 Application
 8 in this matter. KAW proposes to issue an amended notice to customers by the same mail
 9 method. A draft of the proposed amended notice is attached to this testimony. Upon
 10 approval by Commission Staff and the Attorney General of the attached amended notice,
 11 KAW will take immediate steps to mail the amended notice to all wastewater customers.

12 **Q. Does KAW understand this may cause an adjustment to the existing procedural
 13 schedule in this matter?**

1 A. Yes. The next event in the existing December 10, 2021 procedural schedule is the filing
2 of Commission Staff's Report which is due April 4, 2022. KAW understands that date
3 may need to be adjusted and that Commission Staff may have questions about my
4 supplemental testimony and the revised rate design. Certainly, KAW is amenable to a
5 revised date for the Commission Staff Report and is willing to answer any questions
6 Commission Staff or the Attorney General have about the revised rate design. Moreover,
7 KAW understands that this may also mean an overall delay in the processing of this matter
8 beyond just the deadline for the Commission Staff's Report. Under the Commission's
9 Alternative Rate Filing regulation, 807 KAR 5:076, Section 7, KAW is permitted to
10 implement proposed rates (subject to refund) on June 1, 2022¹ if the Commission has not
11 decided the case by that time. KAW hereby agrees that it will not implement proposed
12 rates in this matter until the Commission decides this case even if that decision comes after
13 June 1, 2022.

14 **Q. Does this conclude your supplemental testimony?**

15 A. Yes.

¹ This is why the proposed tariffs in this case have an effective date of June 1, 2022.

AMENDED NOTICE

This Amended Notice is hereby given to amend Kentucky-American Water Company’s December 1, 2021 notice of its request to adjust wastewater rates. The amended requested rates are set forth below and have been submitted for approval to Public Service Commission, Frankfort, Kentucky, for an adjustment of sewer rates with the rate change to be phased in over a four-year period in Case No. 2021-00434. The first adjustment is for service rendered on and after June 1, 2022; the second adjustment is for service rendered on and after June 1, 2023; the third adjustment is for service rendered on and after June 1, 2024; and the fourth adjustment is for service rendered on and after June 1, 2025. With all four adjustments, the total amount of the requested increase is \$967,637 on an annual basis, which is an increase of 141.3%.

The table below summarizes the requested increase and percent by year for each customer class, including residential, commercial, industrial, and other public authority (“OPA”):

Class	Total Requested Increase	Total Percent Increase	Total Increase June 1, 2022	Percent Increase June 1, 2022	Total Increase June 1, 2023	Percent Increase June 1, 2023	Total Increase June 1, 2024	Percent Increase June 1, 2024	Total Increase June 1, 2025	Percent Increase June 1, 2025
Residential	\$ 748,411	145.0%	\$ 127,364	24.7%	\$ 161,959	25.2%	\$ 204,000	25.3%	\$ 255,088	25.3%
Commercial	182,322	119.3%	31,774	20.8%	39,556	21.4%	49,082	21.9%	61,910	22.7%
Industrial	3,507	223.4%	14	0.9%	822	51.9%	1,149	47.8%	1,522	42.8%
OPA	33,396	230.7%	5,914	40.8%	7,320	35.9%	8,992	32.4%	11,171	30.4%
Total	\$ 967,637	141.3%	\$ 165,065	24.1%	\$ 209,657	24.7%	\$ 263,224	24.8%	\$ 329,691	24.9%

The present and proposed rates for each customer area are set forth in the table below. The proposed rates in the table below are applicable to all customer classes, including residential, commercial, industrial and other public authority, as referenced in the table above.

Customer Class	Present Monthly Rates	Proposed Monthly Rates (Effective 6/1/2022)	Proposed Monthly Rates (Effective 6/1/2023)	Proposed Monthly Rates (Effective 6/1/2024)	Proposed Monthly Rates (Effective 6/1/2025)	Percent Increase 6/1/2022	Percent Increase 6/1/2023	Percent Increase 6/1/2024	Percent Increase 6/1/2025
Ridgewood - Flat Rate	\$35.14	\$44.47	\$56.54	\$71.90	\$90.00	26.6%	27.1%	27.2%	25.2%
Millersburg									
Meter Less than 1"		\$7.31 Minimum Bill	\$16.84 Minimum Bill	\$28.81 Minimum Bill	\$44.32 Minimum Bill	NA	130.4%	71.1%	53.8%
Meter 1" and Larger		\$39.75 Minimum Bill	\$91.55 Minimum Bill	\$156.60 Minimum Bill	\$240.93 Minimum Bill	NA	130.3%	71.1%	53.9%
First 2,000 gallons	\$1.16 per 100 gallons	\$1.290 per 100 gallons	\$1.460 per 100 gallons	\$1.673 per 100 gallons	\$1.949 per 100 gallons	11.2%	13.2%	14.6%	16.5%
Next 3,000 gallons	\$1.16 per 100 gallons	\$1.161 per 100 gallons	\$1.163 per 100 gallons	\$1.166 per 100 gallons	\$1.169 per 100 gallons	0.1%	0.2%	0.3%	0.3%
Next 5,000 gallons	\$1.16 per 100 gallons	\$1.129 per 100 gallons	\$1.089 per 100 gallons	\$1.039 per 100 gallons	\$0.974 per 100 gallons	-2.7%	-3.5%	-4.6%	-6.3%
All over 10,000 gallons	\$1.16 per 100 gallons	\$1.081 per 100 gallons	\$0.978 per 100 gallons	\$0.849 per 100 gallons	\$0.682 per 100 gallons	-6.8%	-9.5%	-13.2%	-19.7%
Owenton									
Meter Less than 1"	\$27.19 minimum bill	\$30.27 minimum bill	\$34.04 minimum bill	\$38.62 minimum bill	\$44.32 minimum bill	11.3%	12.5%	13.5%	14.8%
Meter 1" and Larger	\$27.19 minimum bill	\$65.66 minimum bill	\$112.69 minimum bill	\$169.75 minimum bill	\$240.93 minimum bill	141.5%	71.6%	50.6%	41.9%
First 2,000 Gallons	\$0.000 per 100 gallons	\$0.351 per 100 gallons	\$0.780 per 100 gallons	\$1.300 per 100 gallons	\$1.949 per 100 gallons	NA	122.2%	66.7%	49.9%
Next 1,000 Gallons	\$1.235 per 100 gallons	\$1.223 per 100 gallons	\$1.209 per 100 gallons	\$1.191 per 100 gallons	\$1.169 per 100 gallons	-1.0%	-1.1%	-1.5%	-1.8%
Next 2,000 Gallons	\$0.972 per 100 gallons	\$1.007 per 100 gallons	\$1.051 per 100 gallons	\$1.103 per 100 gallons	\$1.169 per 100 gallons	3.6%	4.4%	4.9%	6.0%
Next 5,000 Gallons	\$0.880 per 100 gallons	\$0.897 per 100 gallons	\$0.918 per 100 gallons	\$0.943 per 100 gallons	\$0.974 per 100 gallons	1.9%	2.3%	2.7%	3.3%
Next 10,000 Gallons	\$0.787 per 100 gallons	\$0.768 per 100 gallons	\$0.745 per 100 gallons	\$0.717 per 100 gallons	\$0.682 per 100 gallons	-2.4%	-3.0%	-3.8%	-4.9%
Next 20,000 Gallons	\$0.694 per 100 gallons	\$0.692 per 100 gallons	\$0.689 per 100 gallons	\$0.686 per 100 gallons	\$0.682 per 100 gallons	-0.3%	-0.4%	-0.4%	-0.6%
Over 40,000 Gallons	\$0.662 per 100 gallons	\$0.666 per 100 gallons	\$0.670 per 100 gallons	\$0.675 per 100 gallons	\$0.682 per 100 gallons	0.6%	0.6%	0.7%	1.0%
North Middletown									
Meter Less than 1"	\$23.99 minimum bill	\$27.34 Minimum Bill	\$31.72 Minimum Bill	\$37.41 Minimum Bill	\$44.32 Minimum Bill	14.0%	16.0%	17.9%	18.5%
Meter 1" and Larger	\$23.99 minimum bill	\$59.79 Minimum Bill	\$106.43 Minimum Bill	\$167.17 Minimum Bill	\$240.93 Minimum Bill	149.2%	78.0%	57.1%	44.1%
First 2,000 gallons	\$0.000 per 100 gallons	\$0.322 per 100 gallons	\$0.741 per 100 gallons	\$1.286 per 100 gallons	\$1.949 per 100 gallons	NA	130.1%	73.5%	51.6%
Next 3,000 gallons	\$1.012 per 100 gallons	\$1.038 per 100 gallons	\$1.072 per 100 gallons	\$1.116 per 100 gallons	\$1.169 per 100 gallons	2.6%	3.3%	4.1%	4.7%
Next 5,000 gallons	\$0.877 per 100 gallons	\$0.893 per 100 gallons	\$0.914 per 100 gallons	\$0.941 per 100 gallons	\$0.974 per 100 gallons	1.8%	2.4%	3.0%	3.5%
All over 10,000 gallons	\$0.728 per 100 gallons	\$0.720 per 100 gallons	\$0.711 per 100 gallons	\$0.698 per 100 gallons	\$0.682 per 100 gallons	-1.1%	-1.3%	-1.8%	-2.3%
Rockwell									
Meter Less than 1"	\$32.67 minimum bill	\$34.42 Minimum Bill	\$36.75 Minimum Bill	\$40.01 Minimum Bill	\$44.32 Minimum Bill	5.4%	6.8%	8.9%	10.8%
Meter 1" and Larger	\$32.67 minimum bill	\$63.91 Minimum Bill	\$105.56 Minimum Bill	\$163.87 Minimum Bill	\$240.93 Minimum Bill	95.6%	65.2%	55.2%	47.0%
First 2,000 gallons	\$0.000 per 100 gallons	\$0.292 per 100 gallons	\$0.682 per 100 gallons	\$1.228 per 100 gallons	\$1.949 per 100 gallons	NA	133.6%	80.1%	58.7%
Next 3,000 gallons	\$0.000 per 100 gallons	\$0.175 per 100 gallons	\$0.409 per 100 gallons	\$0.736 per 100 gallons	\$1.169 per 100 gallons	NA	133.7%	80.0%	58.8%
Next 5,000 gallons	\$0.000 per 100 gallons	\$0.146 per 100 gallons	\$0.341 per 100 gallons	\$0.614 per 100 gallons	\$0.974 per 100 gallons	NA	133.6%	80.1%	58.6%
All over 10,000 gallons	\$0.000 per 100 gallons	\$0.334 per 100 gallons	\$0.416 per 100 gallons	\$0.530 per 100 gallons	\$0.682 per 100 gallons	NA	24.6%	27.4%	28.7%
All over 12,000 gallons	\$0.272 per 100 gallons	\$0.334 per 100 gallons	\$0.416 per 100 gallons	\$0.530 per 100 gallons	\$0.682 per 100 gallons	22.8%	24.6%	27.4%	28.7%

The effect upon the average bill for each customer class on which the proposed rate change will apply is set forth in the following table:

Area	Average Usage	Total Impact on Average Bill		June 2022 Impact		June 2023 Impact		June 2024 Impact		June 2025 Impact	
Ridgewood											
Residential	Flat Rate	\$ 54.86	156.1%	\$ 9.33	26.5%	\$ 12.07	27.1%	\$ 15.36	27.2%	\$ 18.10	25.2%
Millersburg											
Residential	2,702	\$ 60.16	191.9%	\$ 9.92	31.6%	\$ 12.94	31.4%	\$ 16.25	30.0%	\$ 21.05	29.9%
Commercial	10,960	\$ 243.09	191.2%	\$ 40.07	31.5%	\$ 52.27	31.3%	\$ 65.66	29.9%	\$ 85.09	29.8%
OPA	2,262	\$ 256.73	978.4%	\$ 42.35	161.4%	\$ 55.21	80.5%	\$ 69.32	56.0%	\$ 89.86	46.5%
Owenton											
Residential	2,583	\$ 55.73	162.0%	\$ 10.03	29.2%	\$ 12.27	27.6%	\$ 14.88	26.2%	\$ 18.55	25.9%
Commercial	11,952	\$ 258.65	218.6%	\$ 46.55	39.3%	\$ 56.95	34.5%	\$ 69.02	31.1%	\$ 86.13	29.6%
OPA	5,614	\$ 256.58	398.5%	\$ 46.17	71.7%	\$ 56.48	51.1%	\$ 68.47	41.0%	\$ 85.45	36.3%
North Middletown											
Residential	3,238	\$ 61.25	167.7%	\$ 10.11	27.7%	\$ 13.18	28.3%	\$ 17.13	28.6%	\$ 20.83	27.1%
Commercial	9,449	\$ 264.95	283.8%	\$ 43.73	46.8%	\$ 56.97	41.6%	\$ 74.16	38.2%	\$ 90.08	33.6%
OPA	5,463	\$ 261.08	447.0%	\$ 43.09	73.8%	\$ 56.14	55.3%	\$ 73.09	46.4%	\$ 88.76	38.5%
Rockwell											
Residential	2,932	\$ 61.53	188.3%	\$ 9.22	28.2%	\$ 12.31	29.4%	\$ 17.23	31.8%	\$ 22.77	31.9%
Commercial	21,973	\$ 385.54	644.8%	\$ 62.49	104.5%	\$ 76.04	62.2%	\$ 106.34	53.6%	\$ 140.67	46.2%
Industrial	27,880	\$ 409.76	540.1%	\$ 66.16	87.2%	\$ 80.88	57.0%	\$ 113.07	50.7%	\$ 149.65	44.5%

This application may be examined at the offices of Kentucky American Water located at 2300 Richmond Road in Lexington, Kentucky. This application may also be examined at the offices of the Public Service Commission located at 211 Sower Boulevard in Frankfort, Kentucky, Monday through Friday from 8:00 am – 4:30 pm or on the Commission’s website at <http://psc.ky.gov>. Comments regarding this application may be submitted by mail to the Public Service Commission, Post Office Box 615, Frankfort KY 40602; or through its website at <http://psc.ky.gov>. The rates contained in this notice are the rates proposed by Kentucky American Water but the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.