

**807 KAR 5:001, Section 15 (2)(a):**

The project is needed because the Ore Mines and Midland pump stations are nearing the end of their lives and are pumping 22 to 24 hours per day. This provides no time to do preventative maintenance on these stations. Demand has increased in the areas served by the pump stations putting severe strain on the ability of the stations to deliver the water needed by the customer base. The District had all the storage tanks in the system inspected last year and the work to be done on the tanks in this project are a direct result of the inspection reports.

The Ore Mines pump station is a critical facility to the District's operation. Approximately 4,000 customers within the District and two wholesale customers (City of Owingsville and Sharpsburg Water District) are directly served through this station. If the Ore Mines pump station stops working or needs emergency maintenance, thousands of Bath County Water District customers, the City of Owingsville's customers, and the majority of Sharpsburg Water District's customers would be without water service.

The rehab of the storage tanks is necessary to maintain the structural integrity of the assets and ensure that they are functional for many years.

**807 KAR 5:001, Section 12 (1)(b):**

Bath County Water District has filed an alternative rate application with the Commission, Case No. 2022-00404 as ordered by the Commission.

All material changes that the District has experienced or expects to experience since the end of the 12-month period in the District's most recent annual report on file with the Commission are contained in this application.

Alternative Rate Application, Case no. 2022-00404 did not identify any significant material changes. The District calculated that a 4.14% increase in rates was necessary to cover the changes it did identify including the new Fund B loan. The Commission may adjust this percentage how it sees fit.