

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2023-00191
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT'S
SECOND REQUEST FOR INFORMATION

Witness: Charles Rea

1. Please see Mr. Seliger's testimony, page 17 lines 9-17. Please provide all data and analysis, with formulas and links intact, for all sample Advanced Metering Infrastructure ("AMI") data relied upon by KAWC to develop the maximum daily consumption values for each customer class in KAWC's Cost of Service Study.

Response:

Please refer to KAW_R_LFUCGDR2_NUM001_092123_Attachment for the information requested.

Note that sample AMI meter data used by KAWC to develop maximum daily consumption values and maximum hourly consumption values for the residential, commercial, and public authorities classes are estimated based on samples of customers from KAWC's Missouri-American Water Company affiliate in St. Louis County, Missouri. As noted in Mr. Selinger's testimony now adopted by Mr. Rea, the samples are selected by customer class and subgroups within each class such that the customers in each customer class sample have monthly usage characteristics that are nearly identical to monthly usage characteristics for the same population of KAWC customers, thus providing consistency between the usage characteristics of the customers in each sample and the usage characteristics of KAWC customers.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2023-00191
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT'S
SECOND REQUEST FOR INFORMATION**

Witness: Charles Rea

2. Please see Mr. Seliger's testimony, page 20 lines 16-21. Please provide all data and analysis, with formulas and links intact, for all sample Advanced Metering Infrastructure ("AMI") data relied upon by KAWC to develop the maximum hourly consumption values for each customer class in KAWC's Cost of Service Study.

Response:

Please refer to KAW_R_LFUCGDR2_NUM001_092123_Attachment for the information requested.

**KENTUCKY-AMERICAN WATER COMPANY
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SECOND REQUEST FOR INFORMATION**

Witness: Charles Rea

3. Please refer to KAWC's cost of service study "KAW_R_PSCDR1_NUM003_071823_Attachment.xlsx", tab "Usage Statistics", row 15, columns I and J showing the "Fire Allocator" for the Public and Private Fire classes. Please provide supporting documentation and calculation that resulted in the allocation shown in these cells.

Response:

Please refer to KAW_R_LFUCGDR2_NUM003_092123_Attachment for the information requested.

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2023-00191
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SECOND REQUEST FOR INFORMATION**

Witness: Charles Rea

4. Please refer to Response to LFUCG DR 1-6. Regarding West Virginia, please provide the order referenced in the statement, "Public fire rates to municipalities are frozen by Commission order since before the year 2000 so any additional revenue requirements associated with public fire service will be recovered through base rates."

Response:

Please refer to West Virginia-American Water Company Case No. 80-274-W42T, 80-457-W-42A, et al. (Recommended Decision dated April 28, 1981; Final Order May 18, 1981, Exceptions Denied July 8, 1981).

Please refer to KAW_R_LFUCGDR2_NUM004_092123_Attachment for the copy of the Heating Examiner's Recommended Decision dated April 28, 1981.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

CASE NO. 80-274-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Kanawha Valley District).
In the matter of increased rates
and charges.

CASE NO. 80-293-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Bluefield District).
In the matter of increased rates
and charges.

CASE NO. 80-294-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Gassaway District).
In the matter of increased rates
and charges.

CASE NO. 80-295-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Hamlin District).
In the matter of increased rates
and charges.

CASE NO. 80-296-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Hinton District).
In the matter of increased rates
and charges.

CASE NO. 80-297-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Madison District).
In the matter of increased rates
and charges.

CASE NO. 80-298-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Montgomery District).
In the matter of increased rates
and charges.

CASE NO. 80-299-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Oak Hill District).
In the matter of increased rates
and charges.

CASE NO. 80-300-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Princeton District).
In the matter of increased rates
and charges.

CASE NO. 80-301-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Sutton District).
In the matter of increased rates
and charges.

CASE NO. 80-302-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Webster Springs District).
In the matter of increased rates
and charges.

CASE NO. 80-303-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Weston District).
In the matter of increased rates
and charges.

CASE NO. 80-457-W-42A

WEST VIRGINIA WATER COMPANY,
a corporation.
Application for authority to change public and
private fire protection rates for its Districts
and for consolidation of this case with pending
rate cases.

HEARING EXAMINER'S DECISION

Entered: April 28, 1981

H E A D N O T E S

1. The Company is allowed to include a 13-month average of all Construction Work in Progress (CWIP) in rate base, rather than to include CWIP completed and placed in service, especially where because of short-term duration of construction, and small dollar size of CWIP projects, capitalization of interest is a poor substitute for such 13-month average of all CWIP.

2. Non-revenue additions added during the test year may be included in calculation of rate base as year-end accretions (rather than on the basis of 13-month averaging) when 1) of benefit to customers, and 2) dedicated to service before rates are placed into effect under bond.

3. Certain non-revenue additions added post (after) test year may be added to rate base if 1) the improvements benefit the Company's customers, and 2) were completed and in use prior to rates going into effect under bond.

ORIGINAL**ENTERED**O.B. 80-K Page _____PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTONEntered: April 28, 1981

CASE NO. 80-274-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Kanawha Valley District).
In the matter of increased rates
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CASE NO. 80-293-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Bluefield District).
In the matter of increased rates
and charges.

CASE NO. 80-294-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Gassaway District).
In the matter of increased rates
and charges.

CASE NO. 80-295-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Hamlin District).
In the matter of increased rates
and charges.

CASE NO. 80-296-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Hinton District).
In the matter of increased rates
and charges.

CASE NO. 80-297-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Madison District).
In the matter of increased rates
and charges.

CASE NO. 80-298-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Montgomery District).
In the matter of increased rates
and charges.

CASE NO. 80-299-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Oak Hill District).
In the matter of increased rates
and charges.

CASE NO. 80-300-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Princeton District).
In the matter of increased rates
and charges.

CASE NO. 80-301-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Sutton District).
In the matter of increased rates
and charges.

CASE NO. 80-302-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Webster Springs District)
In the matter of increased rates
and charges.

CASE NO. 80-303-W-42T

WEST VIRGINIA WATER COMPANY,
a corporation, (Weston District).
In the matter of increased rates
and charges.

CASE NO. 80-457-W-42A

WEST VIRGINIA WATER COMPANY,
a corporation.
Application for authority to change public and
private fire protection rates for its Districts
and for consolidation of this case with pending
rate cases.

HEARING EXAMINER'S DECISION

PROCEDURE

CASE NO. 80-274-W-42T

On July 8, 1980, the Kanawha Valley District of the West Virginia Water Company ("Company"), a corporate public utility, filed revised tariff sheets stating increased rates and charges of approximately \$2,712,211 (or 15.83%) for providing general water service to approximately 56,256 customers in, and for providing public and private fire protection to various municipalities in, Kanawha and Putnam Counties, all to become effective August 9, 1980.

CASE NO. 80-293-W-42T THROUGH CASE NO. 80-303-W-42T

On July 18, 1980, the Company filed revised tariff sheets stating increased rates and charges for all of its remaining operating districts seeking the following additional revenue and percentage increases for the customers served in each District:

<u>PSC Case No.</u>	<u>District</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>	<u>Approximate No. of Customers</u>
80-293-W-42T	Bluefield	\$162,053	13.75%	5,779
80-294-W-42T	Gassaway	16,297	12.12	610
80-295-W-42T	Hamlin	27,253	14.42	691
80-296-W-42T	Hinton	36,170	12.00	1,612
80-297-W-42T	Madison	53,531	16.29	1,509
80-298-W-42T	Montgomery	53,277	14.78	1,647
80-299-W-42T	Oak Hill	211,789	23.70	5,164
80-300-W-42T	Princeton	192,374	17.52	5,316
80-301-W-42T	Sutton	43,992	32.23	568
80-302-W-42T	Webster Springs	46,287	26.22	612
80-303-W-42T	Weston	38,774	6.56	2,592

In all of the cases listed above (with the exception of Webster Springs, PSC Case No. 80-302-W-42T), the Company also sought increased rates for rendering public and private fire protection in the municipalities served by those Districts. Webster Springs has a municipally owned and operated fire protection system. (Case No. 80-457-W-42A).

By order entered August 5, 1980, in PSC Case No. 80-274-W-42T and by orders entered on August 18, 1980, in PSC Case Nos. 80-293-W-42T through 80-303-W-42T, the Company was made a respondent to these proceedings, the revised tariff sheets for the districts were suspended, and the use of the rates and charges stated therein deferred until December 7, 1980, in the Kanawha Valley District and until December 19-22, 1980, in all other Districts, unless otherwise ordered by the Commission, to enable the Commission to examine and investigate the supporting data filed with the revised tariff sheets and to provide time for the Division of Accounts, Finance and Rates to make a study and report.

The orders of August 5, 1980 and August 18, 1980, also provided that the Company, before placing the rates into effect in the Districts, was required to enter into a bond with surety approved by the Commission in the amounts shown in those orders, conditioned for the refund to the persons or parties entitled thereto of the amount of excess if the rates were subsequently determined to be higher than those finally fixed for the Company, plus interest to be determined by the Commission, as required by West Virginia Code §24-2-4. The Company filed the required bonds for all of the Districts and the rates were placed into effect under bond as authorized by order of the Commission.

On October 1, 1980, the Company filed a petition to withdraw the public and private fire protection tariffs listed in the July 8 and July 18, 1980, filings in the Districts.

CASE NO. 80-457-W-42A

On October 1, 1980, at the same time as it filed its petition to withdraw the fire protection tariffs in the above cases, the Company also filed an application, duly verified, for authority to change public and private fire protection rates in all of the Districts, for consolidation of the application case with the above cases, and for waiver of notice.

The Commission, by order entered December 18, 1980, approved the petition filed by the Company on October 1, 1980, to withdraw the public and private fire protection tariffs filed on July 8 and July 18, 1980, consolidated Case No. 80-274-W-42T, Case Nos. 80-293-W-42T through 80-303-W-42T, and Case No. 80-457-W-42A, set the consolidated cases for hearing in the Commission's Hearing Room at the Capitol in the City of Charleston on February 3, 1981, at 9:30 a.m., EST, and directed the Company to give notice of the filing of its revised tariff sheets and of the time and place of the consolidated hearing by proper posting and publication.

Proper notice was given and the hearing was held as scheduled. The Company was represented by Jackson, Kelly, Holt & O'Farrell and Michael A. Albert, Esquire, its counsel. The Commission Staff was represented by William H. Roberts and Joseph A. Mancuso, Legal Division; by Jerry T. Bess, Cleo McGraw and Donald Cook, Division of Accounts, Finance and Rates; and by S. H. Dickson and Laxmi N. Mehra, Division of Finance and Special Studies. The Honorable S. G. Marple, Mayor of the Town of Sutton, and six other citizens from the Town of Sutton, also appeared at the hearing on behalf of the Town of Sutton to protest any change in rates for the Sutton District. At the close of the hearing the case was submitted for decision, subject to the filing of simultaneous briefs. The Company and Staff briefs were filed on March 17, 1981.

EVIDENCE

The West Virginia Water Company is a subsidiary of the American Water Works Company, Inc., and furnishes water for residential, commercial, industrial, municipal, and miscellaneous water users, including public and private fire protection, in the municipalities within the service areas of the Company's twelve operating districts. The Company furnishes water treatment, pumping and distribution to approximately 83,000 customers in its twelve Districts.

At the hearings held on February 3 and 4, 1981, the Company presented the following witnesses who testified and sponsored 55 Company exhibits received into evidence. The witnesses and the areas of their testimony were:

Edward W. Limbach	General Policy of the Company
George W. Johnstone	Cost of Service Study for Public and Private Fire Protection and for the Webster Springs Rate Structure
Dr. Charles F. Phillips, Jr.	Cost of Capital and Rate of Return
Thomas L. Muncy	Operations for the Oak Hill District
Stanley M. Stockton	Operations for the Hinton District
Joel R. Mohr	Operations for the Hamlin District
Paul R. Ewing	Operations for the Gassaway, Sutton, Webster Springs and Weston Districts
Roy W. Mundy, II	Operations for the Bluefield and Princeton Districts
James E. Dawson	Operations for the Madison District
Robert S. Dawson	Operations for the Kanawha Valley and Montgomery Districts
Donald L. Conyers	Proper Treatment of Federal Income Taxes
Roy L. Ferrell	Accounting Witness for the Company and for all Districts

In addition to the above witnesses, the Company and the Commission Staff agreed that the testimony and exhibits of C. Van Leer Davis, III, of the firm of Dechert Price & Rhoads, who testified at the hearing in Huntington Water Corporation, Case No. 80-198-W-42T, held on December 9, 1980, could be admitted into the record in these cases, and those exhibits were identified and admitted in evidence.

The operations witness for each of the Districts described the water treatment, pumping, and distribution capacity, the growth patterns for customers and water pumpage during the past five years, the additions and improvements made to the system since the previous rate case and the testing facilities for each of the Districts. Nothing presented in the record in these cases by either the Company operations witnesses or any of the protestants indicated that the Company has any quality of service problems in any of the Districts or that the Company is not carrying out its public service obligations in the Districts. Since the Company's last series of rate cases (PSC Case Nos. 79-201-W-42T through 79-211-W-42T) for all Districts except Webster Springs, the Company has expended \$3,648,876 in additions to its utility plant. See, testimony of

operations witness for each District and Appendix A and/or B attached to each witnesses' testimony.

The Company seeks a rate increase for each of the Districts because of increased operation and maintenance expenses and the additional investment in physical plant in each District.

The Company, on a total-Company basis, has asked to increase rates by 15.9% over those rates presently authorized for metered sales. The rate of return requested by the Company under the proposed rates is 11.90% on the rate base shown on Addendum Statement B to the Rule 42 Accounting Exhibit for each of the Districts while the Staff calculated the following rates of return under the proposed rates using the rate base calculated by Staff on its Statement B to the Staff Audit Report:

<u>District</u>	<u>Rate of Return</u>
Bluefield	15.36%
Gassaway	11.30
Hamlin	13.49
Hinton	14.70
Kanawha Valley	13.34
Madison	12.84
Montgomery	14.26
Oak Hill	19.22
Princeton	13.72
Sutton	16.88
Webster Springs	11.01
Weston	11.94

In its prior series of cases for these Districts (PSC Case Nos. 79-201-W-42T through 79-211-W-42T; no case was filed for the Webster Springs District), the Company was granted an 11% rate of return by the Hearing Examiner's Recommended Decision entered March 21, 1980, and the Commission's Order on Exceptions dated July 9, 1980. The Company now contends that it has experienced a going-level rate of return of 8.1%, or a shortfall in annual revenues to the Company on a pro forma basis of \$3,179,886 over its cost of service. Co. Ex. EWL-1 at 4. In that last series of cases, the total Company rate base was \$62,456,218, which has since increased by \$1,913,843 as a result of the installation of the capital improvements described by the Company's operation witnesses in the various Districts.

During the hearing, counsel for the Commission's Legal and Accounting Staffs and the Company entered into a stipulation concerning adjustments to revenues and to operating and maintenance expenses. Co. RLF-3. In this stipulation, the Company and Staff substantially agreed as to the proper amounts for most items in dispute, leaving for decision in this case only the following major issues: (1) Rate Base, (2) Rate

of Return, (3) Investment Tax Credit, (4) Consolidated Tax Savings, (5) Public and Private Fire Protection; (6) Rate Structure and Design for the Webster Springs District; and (7) Adjustments Resulting from the Filing of PSC Case No. 81-035-W-42T.

The Company in its Brief raised issue (7) above regarding the propriety of a Staff reduction to certain adjustments in the Kanawha Valley District case as a result of the filing on January 26, 1981, of a new rate case for the Kanawha Valley District (PSC Case No. 81-035-W-42T) and, after a review of the record in these proceedings, the Hearing Examiner is of the opinion that issue (7) was preserved by the Company at the hearing and that it is appropriate for the Hearing Examiner to rule on that issue in this order.

DISCUSSION OF ISSUES INCLUDING
FINDINGS OF FACT AND CONCLUSIONS OF LAW

For the purpose of this order, reference to the transcript of the hearings on February 3 and 4, 1981, will be by the pertinent page of the transcript in this manner (Tr., p. 8 or Tr., pp. 2-5). Exhibits will be referred to as marked and admitted into evidence.

Calculation of Rate Base.

The Company, in its Addenda to Statement B for the Districts, which appear at the end of the various Rule 42 Exhibits for the Districts, seeks recognition of a total "adjusted average rate base" for the total Company of \$64,370,260. This figure is determined by adding the total figures shown on the various Rule 42 Exhibits. See, for example, Bluefield RLF-1 at 42 (\$2,343,756); Hamlin RLF-1 at 40 (\$361,446). The Staff, on the other hand, calculated the Company's total average going-level rate base at \$61,556,965. See, total of Staff Ex. 2, Statement B. The difference between the rate base calculations as shown on the Addenda B to the Company's Rule 42 Exhibit by Company and Staff (\$2,753,295) is principally attributable to the different treatment accorded the following rate base items: (a) construction work in progress, (b) deferred investment tax credit, (c) unamortized winter costs, (d) non-revenue producing additions lost through averaging in the test-year, and (e) post test year non-revenue producing additions.

(a) Construction Work in Progress.

The Company's total going-level average rate base for all twelve

Districts shown on Statement B to the Districts' Rule 42 Exhibit (as opposed to the "Adjusted Average Rate Base" shown on the Addenda to Statement B in the Districts' Rule 42 Exhibits) is \$62,332,130, or \$774,905 higher than the corresponding figure shown on the total of the Statement B's of the Staff Audit Reports. Compare, for example, Kanawha Valley RLF-1, Statement B (\$52,423,623), with Staff Ex. 2, Statement B (\$51,736,624). Much of this difference arises from the handling of construction work in progress ("CWIP"). Staff treats CWIP as an addition to rate base only after the CWIP has been "completed and placed in service" without recognizing as rate base any amount of money expended on the CWIP prior to its transfer to "CWIP completed and in service". Once this transfer occurs, the CWIP is recognized as rate base by Staff, but only to the extent of a 13-month average. The Company, on the other hand, used a 13-month average of all CWIP in computing the rate base and included in its computation of the 13-month average all of the months during which the money was expended by the Company to the extent of those expenditures. The Company's accounting witness, Mr. Ferrell, testified about, and sponsored several exhibits relating to, the reasons why the Company used a 13-month average of all CWIP.

First, Mr. Ferrell testified that, because of the nature of the Company's construction season (typically April-October), much of the Company's construction normally is not "completed and placed in service" until the latter part of the calendar year. As a result, a relatively small portion of completed construction is included or factored into the 13-month average. Co. RLF-1 at 10. Mr. Ferrell also addressed the timing of the Company's construction and prepared an attachment to his testimony that detailed the Company's CWIP during test year 1979 (Appendix B to Co. RLF-1). A review of Appendix B shows that (i) the bulk of the funds for CWIP is expended by the Company during the third and fourth quarter of each year and (ii) most of the Company's work orders involve relatively small investment dollar expenditures and are completed in a relatively short period of time (approximately 3-1/2 months). Co. RLF-1 at 13-15.

It is the short-time duration and relatively small dollar size of the various CWIP projects that the Company argued made capitalization of interest (which is often cited by the Staff as the trade off for not permitting a utility to include CWIP within rate base) a poor substitute

for 13-month average of all CWIP. Mr. Ferrell testified that the Company was able to capitalize only \$11,787 out of total construction expenditures of \$3,648,876. Co. RLF-1 at 11 and Statement F, Schedule 2 of all of the various Rule 42 Exhibits.

Mr. Ferrell testified that he reviewed each work order for all twelve Districts of the Company and satisfied himself that the Company had capitalized interest on CWIP in every instance in which it was permitted and was cost effective. Normally interest during construction is designed to carry a utility through major, long-term construction programs. In the case of the Company, however, Mr. Ferrell testified that, because of (i) the relatively short period of time that most of its projects are under construction, (ii) the clerical cost of monitoring and recording AFUDC on these short-term projects, and (iii) the relatively small cost per project, the capitalization of interest is not cost effective for the Company. Mr. Ferrell testified that the Company's policy on capitalizing interest is that the item of work must involve over \$1,000 of construction and must be in CWIP over 30 days to warrant incurring the clerical cost necessary to capitalize the interest on the item. Co. RLF-1 at 15. A review of Appendix B to Mr. Ferrell's testimony indicates that Mr. Ferrell consistently applied the Company's criteria for capitalizing interest on CWIP. Although the argument is often made that AFUDC serves as a rate making substitute for the 13-month average of all CWIP, the Hearing Examiner is persuaded that, in fact, as demonstrated by Mr. Ferrell, it is not an effective substitute for this Company under the circumstances of this case. The Company has weighed the clerical effort and costs involved in maintaining AFUDC on many short-term/low dollar work order items against the benefits that might accrue from capitalizing interest and have found it not to be a cost effective method. Mr. Ferrell testified that the Company's criteria were reasonable. Co. RLF-1 at 15. The Staff presented no testimony to the contrary.

Further, even if the 13-month average of all CWIP is included in the rate base and even if the Examiner would approve all of the rate base adjustments requested by the Company in its Addenda to Statement B (District RLF-1), the Company's net investment in utility plant for this case is still \$310,173 less than net investment in utility plant at year end. Appendix A, Co. RLF-1. Mr. Ferrell testified that the Company's

approach would not result in any "double dipping" or overstating of the average rate base since the items totaled to determine the 13-month average of CWIP to be added to the 13-month average rate base are only included in CWIP or in Utility Plant in Service for any given month, but are never included in both accounts. Co. RLF-1 at 15. The Examiner believes that, under the facts of this case, the inclusion of the 13-month average of all CWIP in rate base is fair, both to the Company and its customers, particularly since all of this CWIP was in service by the end of the test period in these cases. If the Company were to undertake major, long-term construction projects in the future, this result might be totally inappropriate in some future rate case.

Since we have included, based on the particular factors involved in this case, CWIP in the amount of \$342,516 within the rate base, it is hereby decided and ruled that all AFUDC associated with that CWIP shall not in any way be a part of the Company's Rate Base. The Company should make appropriate entries on its books to reverse any entries which record AFUDC on the CWIP herein allowed in rate base.

(b) Deferred Investment Tax Credit.

In its calculation of rate base Staff reduced all twelve (12) Districts' rate bases by the unamortized portion of the 6% deferred investment tax credit flowing from the Tax Reduction Act of 1975. In addition, the Staff also deducted an unamortized investment tax credit for 1973 plant additions from the rate base - Kanawha Valley District. For the reasons hereinafter discussed under the "Investment Tax Credit" section of this Decision, the Examiner believes that Staff's treatment is proper and therefore such adjustment is proper and should be adopted.

(c) Unamortized Portion of Winter Cost.

During the bitter cold weather of the severe winter of 1977, the Company experienced extraordinary freeze-related expenses in Hinton, Kanawha Valley, Montgomery, Princeton, Webster Springs and Weston

Districts. The additional expenditures in these Districts resulting from the unusual weather are set forth in the Addenda to Statement B of the District Rule 42 Exhibits.

Both the Company and the Staff amortized this expense over a five-year period. The Company, however, included the unamortized portion of the expenses in its rate base calculation. The Company felt that, since the expenditure was necessary to maintain service to its customers during that period, it should be able to earn a rate of return on those expenditures as it would any investment in capital plant. The Company feels that this is the only fair method of making it completely whole. Staff amortized the expense over a five-year period but excluded the unamortized portion of the expense from rate base. This treatment allows the Company to recover the expense and at the same time provides a fair balancing of the shareholders' and rate-payers' interest. Following the Commission's treatment of extraordinary winter costs in Beckley Water Company, Case No. 8929, 65 ARPSCWV 629 (1978), the Examiner, therefore, adopts the Staff's position on this issue.

(d) Non-Revenue Producing Additions Lost Through Averaging.

The Company included within its rate base calculation on Addenda Statement B for the Districts a certain amount to recover the actual dollar amount of non-revenue producing additions placed in service during the test year but lost to the Company through the use of a 13-month average rate base. These non-revenue producing additions, all of which were in service by the end of the test year, fall into two categories.

First, a portion of these non-revenue producing additions were actually granted a full year-end rate base treatment in the last series of rate cases for the Company (PSC Case No. 79-205-W-42T) although they were completed and placed in service after the close of test year 1978 used in those cases. Mr. Jerry T. Bess, the Staff Rate Analyst, testified that the Staff "did, in effect, wash out" certain rate base items specifically granted full rate base treatment in the last case by use of the 13-month average rate base in this series of cases. (Tr., pp. 2-19). In addition, Mr. Bess conceded that (i) the items shown in the schedules contained in Appendix C to Co. RLF-1 and marked with the caption

"See Footnote" in the Bluefield, Hinton, Kanawha Valley, Madison, Oak Hill and Princeton Districts were the same items afforded post test year rate base treatment in the last rate cases for those Districts and (ii) the amount shown under the caption "Non Revenue Producing Additions Lost Due to Averaging" was correct. See also, Hearing Examiner's Recommended Decision entered March 21, 1980, in PSC Case No. 79-205-W-42T and Tr., pp. 2-17 in which those items are set forth. Since this Commission has already ruled that these matters should receive full rate base treatment in the last rate cases for these particular Districts, it would be inappropriate to exclude a portion of those items from rate base in the instant cases through the use of a 13-month average rate base.

Second, the Company in these cases also requested the inclusion in rate base of the non-revenue producing additions actually completed and placed in service during 1979 (the test year in these cases) but lost through the mechanical act (required under Rule 42) of computing a 13-month average rate base.

The total amount of non-revenue producing additions placed in service during the test year but lost to rate base through averaging (based on the actual completed cost for those additions) for each of the Districts is:

Bluefield	\$101,971	(\$ 59,848)
Gassaway	4,505	
Hamlin	13,716	
Hinton	123,467	(\$ 97,426)
Kanawha Valley	259,856	(\$155,139)
Madison	15,830	(\$ 7,190)
Montgomery	13,469	
Oak Hill	39,006	(\$121,738)
Princeton	59,089	(\$ 50,123)
Sutton	30,589	
Webster Springs	218	
Weston	12,221	

Source: District Rule 42 Exhibits, Addenda to Statement B and Appendix C to Co. RLF-1.

The amount shown in parenthesis is the amount of non-revenue producing additions granted post test-year treatment in the last case but lost through averaging as discussed above. The total amounts shown vary slightly from the figures shown on Appendix C to Mr. Ferrell's testimony, Co. RLF-1, because of the exclusion in Appendix C of relatively small dollar amounts consisting of a great number of work orders. In the Oak Hill District, although Oak Hill RLF-1 (Rule 42 Exhibit) at 43 reflects non-revenue producing additions lost through averaging of

\$39,006, the actual amount is shown on Appendix C to Co. RLF-1 of \$121,738. The Company, in preparing the Rule 42 Exhibit for Oak Hill, inadvertently omitted Work Order A-235 relating to the installation of a new pump. This particular project was given post test-year rate base treatment in the last case and the Company has requested that it be included in rate base in this case.

The end result of the Company's calculation is to give year end rate base treatment to all non-revenue producing additions placed in service during the test year. All of these additions were used by both the Company and Staff to calculate the 13-month average rate base for the period of time during the test year that the additions were in service. The Company's position, however, is that the 13-month average rate base calculation used by Staff deprives the Company of the opportunity to earn on the full rate base dedicated to, and used by, the public at the end of the test year. Although this Commission has never specifically permitted a utility to include post-test year revenue producing additions (or to include test year revenue producing additions lost through averaging) within its calculation of rate base, the Commission, in its Commission Order on Exceptions dated July 9, 1980, in the Company's last series of cases (Cases Nos. 79-201-W-42T through 79-211-W-42T), did establish general guidelines for determining when certain non-revenue producing post-test-year additions can be afforded year-end rate base treatment, namely additions to plant which are (1) non-revenue producing, (2) of benefit to the Company's customers, and (3) dedicated to service before the rates are placed into effect under bond. Order on Exceptions at 5.

It is the opinion of the Examiner that if those guidelines apply to additions added after the test year, similar guidelines are appropriate for non-revenue additions placed in service during the test year but excluded from the rate base through the mathematical exercise of using a 13-month average rate base.

After reviewing the record in this proceeding, the Examiner believes that, under the guidelines previously established by this Commission, the non-revenue producing additions added during the test year but lost through averaging should be included in the calculation of rate base in order to afford year-end rate base treatment to these non-revenue producing test year additions.

(e) Inclusion of Certain Post Test Year Additions.

The Company's operations witnesses for the various Districts testified about the amount and nature of post test year additions made in each of the Districts. See, for example, Bluefield RWM-1 at 9 (\$167,500 during 1980); Hinton SMS-1 at 7 (\$31,000 during 1980); Sutton PRE-1 at 6 (\$2,300 during 1980); Weston PRE-1 at 6 (\$58,000 during 1980). However, the Company sought post test year rate base recognition for only certain specific non-revenue producing additions in Bluefield (\$202,400), Hamlin (\$10,500), and Oak Hill (\$447,412). Co. RLF-1 at 16.

Bluefield District (Case No. 80-293-W-42T). Mr. Roy W. Mundy, II, Manager of the Bluefield District, testified about the construction of approximately 6,000 feet of new 12-inch main from the Company's Ada Treatment Plant to Cumberland Road. Bluefield RWM-1 at 8, 9. This project was approved by the Commission in PSC Case No. 79-345-W-CN and provides a critical two-way or "looped" transmission feed from the Ada Plant to the Bluefield District instead of the old single 12-inch line. Previously, the Company was forced to maintain a very high discharge head at the plant in order to serve the entire Bluefield District. Service to the entire Bluefield District would have been disrupted if a casualty had occurred to this single transmission line. Under the new system, the Company has a double feed into the City of Bluefield, can reduce the discharge head from the Ada Treatment Plant and is able to provide better and reinforced service to the southwest section of the Bluefield District system. The Company classified the \$202,400 pipeline as a "non-revenue" producing addition based on the Company's proposed rates and the lease payments required to be made by the Company under its Agreement with the Cumberland Public Service District. The Hearing Examiner agrees with this classification even though the Company may net approximately \$378 annually on the \$202,400 pipeline. See Bluefield RLF-2.

Hamlin District (Case No. 80-295-W-42T). Mr. Joel R. Mohr, operations superintendent for the Hamlin District, testified that the post test year rate base of \$10,500 sought in the Hamlin District (the installation of replacement pumps for two main service pumping units) would provide improved flows and greater pump efficiency and reliability but no additional revenue. Hamlin JRM-1 at 7.

Oak Hill District (Case No. 80-299-W-42T). During 1980, the Oak Hill District of the Company completed Phase II of its water treatment plant expansion project approved by the Commission in PSC Case No. 79-190-W-CN. Oak Hill TLM-1 at 6-8. This program consisted of the installation of three new high service pumps, a 10-inch plant discharge header, a chlorine storage room, a sludge chamber and a 12-inch plant discharge main (completed in 1980 at a total cost of \$153,662). Phase I of this plan received post test year rate base recognition in the last Oak Hill District rate case, PSC Case No. 79-208-W-42T, and the Company seeks the same treatment for Phase II in this case. Oak Hill TLM-1 at 6-8. The Commission also approved the Company's distribution system reinforcing program in the above certificate case, and a major portion of that was completed and placed in service during 1980 at a cost of \$274,959. This installation reinforces one of the problem areas in the system and provides greater flows to this area.

All of these improvements benefit the Company's customers, were completed by the Company in 1980 prior to rates going into effect under bond and were facilities of a non-revenue producing nature. There is no reason, under the test applied by this Commission in the last series of rate cases, to withhold post test year rate base treatment for these improvements.

Based on the Examiner's decision with respect to these five items of rate base raised by the Company, the correct calculation of rate base in each of the Districts is as follows:

Bluefield District	\$ 2,320,677
Gassaway District	182,404
Hamlin District	351,410
Hinton District	597,371
Kanawha Valley District	52,231,951
Madison District	629,721
Montgomery District	650,006
Oak Hill District	2,148,935
Princeton District	2,530,837
Sutton District	300,507
Webster Springs District	211,630
Weston District	1,033,061

Rate of Return.

Cost of capital involves a determination of the cost rates applicable to debt, preferred stock, and common equity for a utility and

the weighing of each component of capital by its proportion in the capital structure of the company. This Commission has historically used cost of capital as one of its tools to construct a reasonable rate of return, but has refused to be bound by any rigid mathematical formula. Columbia Gas of West Virginia, Inc., Case No. 8000, 64 ARPSCWV 559 (1976). When cost of capital was used in this proceeding, the capital structure contained in Co. CFP-2, Schedule 14, page 1 of 2, setting forth the December 31, 1980, capital structure of the Company was employed. The Staff, in computing cost of capital, used both an average capital structure for 1979 and 1980 and a 1979 and 1980 year-end capital structure. The Examiner, in reviewing the rate of return, relied upon the December 31, 1980, capital structure to assure that the capital structure considered was both realistic and current.

In determining the Company's cost of equity, the Company's expert witness, Dr. Phillips, relied primarily upon the "comparable earnings" approach and recommended a return on common equity of fifteen percent (15%). Dr. Phillips further testified that this cost of equity capital, when factored in with the known cost of long-term debt, short-term debt and preferred stock, resulted in a cost of capital determination for the Company of 11.98%. Co. CFP-A at 57; Co. CFP-2, Schedule 21.

The Commission Staff's witness, Laxmi N. Mehra, relied upon the mathematical and statistical tests provided by his variation of the discounted flow ("DCF") method and a "capital asset pricing model" ("CAPM"). Under his approach to DCF, Mr. Mehra computed two estimates of the return on common equity using historical "Value Line" figures (1971-1980 and 1976-1980) and two estimates using his "estimated yield plus growth" (1976-1980 and 1980). Under his first two approaches using "Value Line" figures for the past ten years and five years, Mr. Mehra's recommendations for cost of equity were 13.99% and 14.99% while using a current yield as of October 31, 1980, and January 16, 1981, the results were 15.5% and 16.3% respectively. Under his "historical DCF" variation, the recommendations for cost of equity were 13.427% and 14.764%. Under Mr. Mehra's CAPM, his recommendation on rate of return on common equity was 15%. (See Staff Ex. 1 at 8-10).

After reviewing the results of his various approaches, Mr. Mehra recommended that the Company earn a rate of return of 14-14.5% on common equity. In his calculations of the various weighted cost figures for

year-end 1980, Mr. Mehra computed a range using a component cost for common equity of 14-14.5% (See Staff Ex. LNM Schedule 9), which resulted in a total weighted cost for year end 1980 of 11.640-11.812%. Mr. Mehra recommended a rate of return of 11.65%.

The Commission has taken the position that there is no one certain rate of return that is fair and reasonable and that the reasonableness of earnings to be allowed a utility is fundamentally judgmental and should be based upon all known or predictable factors. Wheeling Electric Company, Case No. 7385, 62 ARPSCWV 179 (1975); Columbia Gas of West Virginia, Case No. 8807, 64 ARPSCWV 1016 (1977).

The Company presented evidence that it has been unable to achieve the rate of return authorized by the Commission in recent years. (Co. EWL-1). While the Examiner takes note of this evidence, the inability to achieve a Commission authorized rate of return cannot lead us in the direction of authorizing ever higher rates of return. Instead, the Commission has adopted reasonable measures to offset those factors which are beyond the Company's control and which contribute to its inability to achieve a reasonable rate of return. To accomplish this the Commission has taken a more liberal view in allowing going-level adjustments which reflect inflation and wage increases beyond the date the rates go into effect in this case. In addition, the Examiner has allowed rate base adjustments to permit the Company a current return on certain CWIP as well as a more liberal treatment of non-revenue producing additions added during and after the test year. The Company, now, must take steps to achieve its authorized rate of return by controlling expenses through proper and efficient management.

The Hearing Examiner has reviewed the testimony by the Company that with total test year construction expenditures of over 3.6 million dollars in 1979, the Company booked AFUDC of only \$11,787. (Co. RLF-1 and Schedule f, Statement 2). The Company has testified that the relatively short period of time most of its projects are under construction, the relatively small cost per project and the clerical cost of monitoring and recording AFUDC on these short-term, low cost projects make AFUDC inappropriate for the Company. The Company should review its AFUDC procedures, as should the Commission Staff, and if the test year conditions continue, should be prepared to address in its next rate case the level of AFUDC.

The Examiner has carefully considered the "end result" of his rate of return decision and feels it will meet the requirement of "reasonableness." In his deliberations, the Examiner has assured himself before finally deciding that the Company will have an opportunity to recover its operation expenses and taxes, to continue with its scheduled construction programs, to attract the capital it feels it will need in the future (Co. EWL-1 at 11), and to earn a rate of return commensurate with businesses having similar risks. In light of these deliberations and testimony of the expert witnesses in this case, we will allow an overall rate of return of 11.8% which is calculated as follows:

	Percentage of Total Capital %	Cost Rate %	Weighted Cost %
Long-Term Debt	46.25	9.52	4.42
Short-Term Debt	9.82	15.00	1.47
Preferred Equity	9.56	9.76	.93
Common Equity	34.37	14.50	<u>4.98</u>
Total			<u><u>11.80</u></u>

The capital structure herein utilized is the pro forma capital structure as recommended by Dr. Phillips and the return on common equity is 14.5%.

Investment Tax Credit

Company and the Staff disagreed markedly in their approach to ITC. The approaches of Staff and Company differed both as to the treatment accorded the 6% ITC provided under the Tax Reduction Act of 1975 and for Kanawha Valley District, the 4% ITC provided under the Revenue Act of 1971 ("1971 Act"). Staff approach in this case is the same as was taken in the Company's most recent rate cases ("9000" series and "79-211" series), and which was tacitly approved by the Commission in that case. (Tr., p. p. 49). With respect to the 6% credit, the Company's position in this case is the same as in the past two cases.

As to the 6% credit, the Company has presented no evidence that would indicate the Commission's prior decisions in 9000 series and 79-211 series of cases should be changed. The Examiner, therefore, will accept the Staff's method of computation for ITC and reject the Company's contention.

As to the 4% credit in Kanawha Valley District, Staff advocates use of a normalizing method that both ratably flows the credit through

to cost of service over the life of the property and reduces rate base by the unamortized portion of the credit. The Company claims, however, that the Commission explicitly adopted Option 2 treatment for this credit in Case No. 7828 and that Staff makes it so disadvantageous for the Company that the Company would have been better off by not taking the ITC when it was available. (Co. Exh. RLF-2, p. 7).

A review of the Commission's order in Case No. 7828 shows that the Commission allowed Option 2 treatment for the ITC after concluding that the Company had presented no evidence of the option it had elected under the "1971 Act". Company Exhibit RLF-4, in this case, clearly shows that the Company elected Option 3. Since Option 3 allows flow-through treatment or any other treatment that the Commission would see fit to apply (Case No. 7828), it appears that the Staff method is permissible. In balancing the interests of both the Company and the ratepayer, it also appears that the Staff method is most fair. The Company receives cash flow benefits in the year the credit is taken since just a ratable portion of the credit is flowed through to the ratepayer. The ratepayer also receives credit for the use of his money through a rate base reduction of the unamortized balance of the ITC. Furthermore, since the credit is in the form of a rate base reduction, the Company can compensate the ratepayer for the use of his monies without making out-of-pocket payments.

For these reasons, the Examiner adopts Staff's method for treatment of the Kanawha Valley District 4% ITC.

Consolidated Tax Savings.

Under the provisions of the Internal Revenue Code, 26, U.S.C. §1505, et seq., affiliated companies may file what is known as a consolidated tax return, one return for all the affiliated companies, as opposed to each company filing its own, separate return. Frequently, this consolidated return results in the companies paying a total federal income tax less than if each company had filed separately.

The Companies' position is that they, in fact, enjoy no tax savings and that the additional revenue sought in a rate case should be taxed at the statutory rate of 46%.

Donald L. Conyers, Vice President of the Company, appeared as the Company's witness with respect to the proper approach to the

calculation of the Company's federal income tax. Mr. Conyers argued four main points in his testimony on this issue: (1) recent changes in tax law have eliminated the only "consolidated tax savings" formerly available to a consolidated group (Co. DLC at 3, 4); (2) the use of an "effective tax rate" concept is misleading and inaccurate since the difference between pretax accounting income and taxable income for the operating subsidiaries represents only timing differences for items of revenue and expense includible in determining accounting income tax for the tax period but not for determining taxable income (Co. DLC at 5); (3) the parent corporation in a consolidated group is entitled to the tax benefit of its losses on a par with any other tax-loss member of the consolidated group since it actually incurred and paid for the expenses creating the negative FIT (Co. DLC at 6, 7); and (4) there is "mathematical attrition" attributable to the imputation of "consolidated tax savings" in the form of an historically derived "effective tax rate" since the revenues are allowed only in an amount sufficient to produce the required increase in utility operating income after deducting a FIT at the "effective tax rate" in spite of the fact that the subsidiary will owe the United States 46¢ on every dollar of increased revenue allowed (Co. DLC at 7, 8).

The Staff position holds that the Companies paid less tax by filing the consolidated return, and, therefore, only the amount of actual tax paid should be included as an expense.

In determining the consolidated tax savings, Staff used a 5-year average (Staff's Kan. Valley Ex. 1 at 10). The Staff method resulted in a tax savings of 30.317%.

The Commission has historically held that consolidated income tax savings should be shared with West Virginia customers and that neither the subsidiary nor the parent company should retain all the benefits of the consolidated tax file. (More recently, see Huntington Water Corporation, Case No. 9355 (1979)).

The Company has presented no new evidence that would indicate that the Commission's prior decisions should be changed, and the Examiner will accept the Staff method of computation and reject the Company's contention. We firmly believe that this treatment is just and equitable and will work to the benefit of both the Company and its customers.

Public and Private Fire Protection.

The Commission ordered the Company in a prior series of rate cases (PSC Case Nos. 9357 and 9395 through 9405) to submit a cost of service study for public and private fire protection tariff charges for the Districts. Such a study was conducted and prepared for these rate cases for all Districts except Webster Springs which has a separately owned and operated municipal fire protection system. (See, Co. GWJ-2.) The study was made and sponsored by George W. Johnstone, a registered professional engineer with the American Water Works Service Company. Mr. Johnstone described the approach that he used in arriving at his determination of the cost of service for public and private fire protection (Co. GWJ-1 at 5, 6). Mr. Johnstone's study revealed that the revenues derived by the Company from public and private fire protection are far less than the cost of rendering that service. Co. GWJ-1 at 9, 10.

In the case of private fire service, Mr. Johnstone recommended that the private fire protection rates sought by the Company be approved and that the private fire protection rates in the Districts be increased by an amount equal to two times the average increase in that District in order to move the rates toward a cost based rate. Tr. 37-39. As to public fire protection rates, however, Mr. Johnstone admitted that he, in preparing his recommendations, was faced with two strong competing regulatory considerations -- cost based rates vs. stability of charges. Co. GWJ-1 at 12. His study indicated that the Company would need to institute rate increases for public fire protection of a magnitude ranging from approximately 300% (Kanawha Valley) to 3300% (Hinton District) in order to make those rates fully cost based and that that action would have a severe adverse impact on the municipalities served by the various Districts. As alternatives to those increases, Mr. Johnstone advanced two possibilities -- (1) move to cost based rates over a period of years by authorizing percentage increases in public fire protection in these cases and future rate cases for these Districts equal to two times the percentage increase granted for residential rate increases or (2) freeze public fire protection rates at the historical level. Co. GWJ-1 at 13, 14. The Examiner is aware that

the revenue shortfall from either of these recommendations would be met by rates charged to general metered service customers. However, the impact of this shortfall on individual customers is virtually de minimus and falls on the same people, as a class, who for the most part benefit from public fire protection service. Under this situation, the Examiner does not believe this would constitute undue discrimination. Co. GWJ-1 at 11-13.

Under either approach, Mr. Johnstone recommended that the Commission establish a lump sum charge to produce the revenue for public fire service finally approved.

Mr. Johnstone also recommended that, in the future, all installation of fire protection facilities made at the request of the municipality be cost based. In line with this, Mr. Johnstone testified that, consistent with Rule 5.05(1)(a)1 of the Commission's Rules and Regulations for the Government of Water Utilities, the Commission should approve the Company's tariffs which permit the Company to charge municipalities an annual rate on all new installations equal to 24% of the cost of those new installations. Mr. Johnstone provided his financial analysis of the 24% provision which confirmed the appropriateness of the 24% figure. See "Verification of Percentage Rate", Cost of Service Study, Co. GWJ-2 at 19-21. Municipalities, of course, which prefer to bear the full cost of the original installation could avoid this annual charge under the provisions of PSC Rule 5.05(2). Co. GWJ-1 at 12, 13. While at first blush this 24% figure might seem high, it is the opinion of the Examiner that it is in fact reasonable since the amount collected from the municipalities is not designed to recover just the installation cost of the new installation but rather is designed to recover, through a tariff, the ongoing total cost of rendering fire service to a municipality through these particular facilities. Further, the approval of this 24% provision in the tariff of the Company will permit the fire protection fees paid by the municipalities to move toward a cost based rate over time.

The Staff did not present any testimony, exhibits or rebuttal evidence on the issue of public and private fire protection. The Examiner, therefore, accepts the testimony of Mr. Johnstone and the findings of the cost of service study.

In that regard, the private fire protection rates requested

by the Company in the Application case (Case No. 80-457-W-42A) are, in the opinion of the Examiner, reasonable and are hereby approved. As to the public fire protection rates, however, the evidence indicates that not even the Company supports adopting a fully cost based rate because of the tremendous increase in rates to the municipalities such an approach would entail. The Examiner is therefore of the opinion that, since fire protection charges to a municipality would ultimately result in the citizens of the municipalities (being also the customers of the various Districts of the Company) paying for those charges, the present historical level of fire protection tariffs does not constitute undue discrimination. By the same token, this Examiner believes that movement in the direction of cost based rates should be made. Consequently, the Examiner is of the opinion that the Company should adopt a lump sum charge equal to the present historical rates for public fire protection, and that, in the future, all new additions or installations of fire facilities at the request of the municipality should be made under the 24% rule presently proposed by the Company on its tariff application and that portion of such tariff is hereby approved.

Rate Structure For the Webster Springs District (PSC Case No. 80-302-W-42T).

At the hearing on February 3, 1981, the Company also presented the testimony and cost of service study of George W. Johnstone, prepared and sponsored for the Webster Springs District. The Company had sponsored a cost of service study to implement the same rate structure for all of the Company's other Districts in its last series of rate cases; however, the Webster Springs District did not file for a rate increase in that series of cases. Webster Springs GWJ-1 at 5. The purpose of the study by Mr. Johnstone in this case was to determine whether the rate structure and design presently used in the Company's other Districts were justified for the Webster Springs District. As a result of this cost of service study conducted by Mr. Johnstone for the Webster Springs District, which was included as a part of the overall Cost of Fire Service Study (Co. GWJ-2 at 22-27, 87-90), the Company modified the rate structure in the Webster Springs District to make it consistent with the rate structure in the Company's other Districts.

In conducting the cost of service study for the Webster Springs District, Mr. Johnstone testified that he used the Commodity-

Demand Method, which is the general method approved by the American Water Works Association Manual-M-1, Water Rates for conducting cost of service studies. Webster Springs GWJ-1 at 5. Staff presented no evidence at the hearing relating to the cost of service study for the Webster Springs District.

The customer groupings used in Webster Springs were residential and non-residential (as were used in the Company's other small districts). The cost of water service was then assigned to each customer group on the basis of the water use characteristics of that group to insure that the revenue requirement derived from each customer group would be in direct proportion to the cost of providing service to that group. Id. at 6.

Mr. Johnstone testified that his analysis resulted in a recommended rate structure change including a service charge based upon the size of the meter (which charge includes the first 2,000 gallons of water per month) and volumetric charges based on the level of use. Co. GWJ-2 at 26.

Since the rate structure proposed by Mr. Johnstone for the Webster Springs District is the sole evidence presented at the hearings on this matter, is based on the identifiable costs incurred by the Company in providing service to the customers in that District, and is identical to the rate structure approved by the Commission for the Company's other eleven Districts, the Hearing Examiner is of the opinion that it should be approved.

Grossed Committee Substitute for House Bill 749 (March 10, 1981) and the Various Adjustments Made by Staff Because of the Filing of PSC Case No. 81-035-W-42T by the Company.

In its original Staff Audit Report dated January 7, 1981, for the Kanawha Valley District (Staff Kan. Valley Ex. 1), the Commission's Utility Analyst with the Division of Accounts, Finance and Rates, Mr. Jerry T. Bess, recommended that certain inflation, payroll and payroll related adjustments be made. The Company, on January 26, 1981, filed its Kanawha Valley District rate case (PSC Case No. 81-035-W-42T). Because of the filing of the 1981 Kanawha Valley District rate case, the Staff recalculated certain of its earlier adjustments to negate a portion of the earlier adjustments recommended by Staff. These downward adjustments are contained on Staff Kan. Valley Ex. 2 (Supplement to Staff Rule 42). The record indicates, however that the Company and

Staff agreed that if, for whatever reason, the Company was not able to place the rates into effect, the adjustments in Staff Kan. Valley Ex. 2 would be ignored. Tr., pp. 2-13; 2-14.

The West Virginia Legislature, on March 10, 1981, passed a bill, effective on passage (Engrossed Committee Substitute for House Bill 749), which provides that, in any rate case in suspension on the effective date of the bill (as is the Company's Kanawha Valley District case, PSC Case No. 81-035-W-42T), the Commission may order an additional suspension period of 150 days. Under those circumstances and with the passage of Engrossed Committee Substitute for House Bill 749, the Hearing Examiner is of the opinion that the original adjustments shown in the Staff Audit Report should be applied.

CONCLUSIONS OF LAW
AND FINDINGS OF THE EXAMINER

1. Company's rates and charges last approved by the Commission for all of its Districts are unjust and unreasonable in that they will not provide sufficient revenues to enable the Company to pay its reasonable and necessary operating expenses and taxes, provide for depreciation, and earn a fair return on its property used and useful in its public service business.

2. Company's rates and charges now in effect under bond in Case Nos. 80-274-W-42T and 80-293-W-42T through 80-303-W-42T are likewise unjust and unreasonable in that they will produce more revenue than needed for the aforesaid purposes.

3. The tariffs applied for in Case No. 80-457-W-42A for rendering private fire protection are hereby approved.

4. The tariffs applied for in Case No. 80-457-W-42A for rendering public fire protection are unjust and unreasonable and will result in an increase in the cost of fire protection which is unduly burdensome for the municipalities served by the Districts of the Company.

The Hearing Examiner is of opinion that existing public fire protection rates should not be increased with respect to service now being provided, but such rates should be expressed as a lump sum charge. Additionally, the Hearing Examiner is of opinion that for charges for new installations for public fire protection the charge should be approved in accordance with the 24% rate established pursuant to Rule 5.05(1)(a) of the Commission's Rules and Regulations for the

Government of Water Utilities.

5. The rates and charges hereinafter approved are just and reasonable in that they should produce revenues sufficient, but not more than sufficient, for the aforesaid purposes.

ORDER

1. The rates and charges contained in Appendix A be, and they hereby are, approved for furnishing general water service to the Company's customers in each of its Districts to become effective on all bills rendered for water service provided on or after the date the rates were placed into effect under bond in each of the Districts. (See Appendix C for Cost of Service Summary for each District).

2. The rates and charges contained in Appendix B be, and they hereby are, approved for the furnishing of private fire protection in the Bluefield, Gassaway, Hamlin, Hinton, Kanawha Valley, Madison, Montgomery, Oak Hill, Princeton, Sutton and Weston Districts, to become effective on the date this order becomes final.

3. The Company is hereby ordered to file new tariff sheets for public fire protection rates in accordance with Paragraph Four (4) of the aforesaid Conclusions of Law and Findings of the Examiner.

4. The rates and charges that the Company now has in effect under bond are hereby denied and cancelled and said Tariffs are hereby stricken from the tariff files of the Commission.

5. The Respondent shall refund to each of its customers entitled thereto, within sixty (60) days of the date upon which this order becomes final, the amount of excess collected under the rates placed into effect under bond and the amount which would have been collected under the rates that are herein approved, with interest thereon at the rate of sixteen and one-quarter per cent (16-1/4%) per annum until paid; that refunds of \$5.00 or less may be made by crediting the amount to the subscriber's account, and that as to amounts in excess of \$5.00 the refunds shall be made by check. The Respondent is to have the right to apply any refund amount to a delinquent customer's account, however, it shall not treat a customer's account as being delinquent before the refund credit has been applied to his account.

The Company shall report to the Commission the amount refunded, including interest, the manner of refunding, and the amount, if any, which it has been unable to refund.

6. The Company shall file with the Commission tariff sheets stating the rates and charges herein approved.


7. The Executive Secretary shall place a copy of this order in the files in each of the Cases Nos. 80-274-W-42T, 80-293-W-42T through 80-303-W-42T and 80-457-W-42A.

8. The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission by hand delivery, and upon all parties of record by United States Mail, return receipt requested.

9. Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this order is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served said exceptions.

10. If no exceptions are so filed this order shall become the order of the Commission, without further action or order, five (5) days following the expiration of the aforesaid fifteen (15) day time period, unless it is ordered stayed or postponed by the Commission.

11. Any party may request waiver of the right to file exceptions to the Hearing Examiner's Order by filing an appropriate petition in writing with the Secretary. No such waiver will be effective until approved by order of the Commission, nor shall any such waiver operate to make any Hearing Examiner's Order or Decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.


Arnold Weiford
Hearing Examiner

APPENDIX A

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WEST VIRGINIA WATER COMPANY
KANAWHA VALLEY DISTRICT
RATES
CASE NO. 80-274-W-42T

Applicable in the entire territory served by the KANAWHA VALLEY DISTRICT, except Booster Service.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATE

First	2,000 gallons used per month	at the minimum charge
Next	28,000 gallons used per month	\$ 2.404 per 1,000 gal.
Next	970,000 gallons used per month	1.455 per 1,000 gal.
Next	9,000,000 gallons used per month	1.046 per 1,000 gal.
All over	10,000,000 gallons used per month	.808 per 1,000 gal.

MINIMUM CHARGE

No bill will be rendered for less than the following amounts according to the size of each meter installed, to-wit; for customers having multiple meter settings, the minimum charge will be the sum of the minimum charges for each of the individual meters;

5/8 inch meter or less	\$ 6.00 per month
3/4 inch meter	9.00 per month
1 inch meter	15.00 per month
1-1/2 inch meter	30.00 per month
2 inch meter	48.05 per month
3 inch meter	90.15 per month
4 inch meter	150.20 per month
6 inch meter	300.40 per month
8 inch meter	480.70 per month

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations

Applicable in the entire territory served by the KANAWHA VALLEY DISTRICT, where Booster Service is furnished.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATE

First	2,000 gallons used per month	at the minimum charge.
Next	28,000 gallons used per month	\$2.933 per 1,000 gal.
Next	970,000 gallons used per month	1.962 per 1,000 gal.
Next	9,000,000 gallons used per month	1.197 per 1,000 gal.
All over	10,000,000 gallons used per month	1.100 per 1,000 gal.

MINIMUM CHARGE

No bill will be rendered for less than the following amounts according to the size of each meter installed, to-wit; for customers having multiple meter settings, the minimum charge will be the sum of the minimum charges for each of the individual meters;

APPENDIX A
Page 2 of 2

5/8 inch meter or less	\$ 6.70 per month
3/4 inch meter	10.00 per month
1 inch meter	16.70 per month
1-1/2 inch meter	33.35 per month
2 inch meter	53.40 per month
3 inch meter	100.10 per month
4 inch meter	166.90 per month

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations.

LOCAL SALES TAX SURCHARGE

The Municipalities listed below, within the West Virginia Water Company's Kanawha Valley District, having imposed an excise tax, exaction or fee based upon a percentage of the revenues from water sales by West Virginia Water Company, within the territorial limits of such Municipalities, such taxes, exactions or fees shall be billed as a "surcharge" to the customers receiving service within said territorial limits. This "surcharge" shall be computed at the appropriate effective tax rate levied by the municipality, giving consideration to the additional State gross sales tax resulting therefrom.

Any increase, decrease, elimination or creation of any such taxes, exactions or fees by the municipalities shall become effective after the Company has given thirty (30) days' notice to the Public Service Commission of the imposition of or any change in said taxes, by filing a revision of the appropriate tariff sheets.

The monthly bills to such customers referred to above will reflect the aggregate amount resulting from Base Rate, Minimum Charge and this Local Sales Tax Surcharge.

Customers receiving service within such Municipalities shall pay a surcharge based on the following effective surcharge rates:

	<u>Local Tax Rate</u>			<u>Surcharge Rate (A)</u>		
	<u>Water Sales</u>	<u>Rents</u>	<u>All Other Business</u>	<u>Water Sales</u>	<u>Rents</u>	<u>All Other Business</u>
Charleston	.0400	.0075	.0090	.04367	.00790	.00950
So. Chas.	.0160	.0040	.0040	.01702	.00420	.00420
Nitro	.0400	.0040	.0040	.04367	.00420	.00420
Dunbar	.0400	.0100	.0090	.04367	.01057	.00950
Chesapeake	.0400	.0100	.0100	.04367	.01057	.01057
Marmet	.0400	.0100	.0100	.04367	.01057	.01057
Belle	.0400	.0100	.0100	.04367	.01057	.01057
Poca	.0400	.0100	.0100	.04367	.01057	.01057

$$(A) \text{ Surcharge Rate} = \frac{\text{Local Tax Rate}}{1 - (\text{Local Tax Rate} + \text{W. Va. State Tax Rate})}$$

APPENDIX B

WEST VIRGINIA WATER COMPANY
 KANAWHA VALLEY DISTRICT
 FIRE PROTECTION SERVICE
 CASE NO. 80-274-W-42T

Applicable in entire territory served by the KANAWHA VALLEY DISTRICT.

AVAILABILITY OF SERVICE

Available for private fire protection service.

RATE

Where connections, hydrants, sprinklers, etc., on private property are maintained by consumer:

2 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 5.02 per month
3 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 6.08 per month
4 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 8.11 per month
6 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 18.14 per month
8 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 32.21 per month
10 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 50.39 per month
12 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 72.56 per month

Where connections and hydrants on private property are maintained by Company:

Each fire hydrant ----- per month

These terms are payable monthly in advance.

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations.

APPENDIX C

WEST VIRGINIA WATER COMPANY
 KANAWHA VALLEY DISTRICT
 COST OF SERVICE
 CASE NO. 80-274-W-42T

	11.80% Return \$
Operating Expenses	5,835,260
Depreciation	806,306
Other Taxes	1,789,540
Federal Income Taxes	1,100,475
Credits to Cost of Service	(42,703)
Allowance for Return - Rate Base \$52,231,951	<u>6,163,370</u>
TOTAL COST OF SERVICE	15,652,248
Going-Level Revenue	<u>14,571,570</u>
Deficiency Before Additional B&O Tax	1,080,678
Additional B & O Taxes (5.355%)	<u>61,145</u>
TOTAL DEFICIENCY UNDER PRESENT RATES	1,141,823
Revenue Increase under Proposed Rates	<u>2,294,588</u>
EXCESS OF INCREASE OVER DEFICIENCY	<u><u>1,152,765</u></u>

APPENDIX A

WEST VIRGINIA WATER COMPANY
BLUEFIELD DISTRICT
RATES
CASE NO. 80-293-W-42T

Applicable in entire territory served by the BLUEFIELD DISTRICT.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATE

First	2,000 gallons used per month at the minimum charge
Next	28,000 gallons used per month \$2.06 per 1,000 gallons
Next	970,000 gallons used per month 1.25 per 1,000 gallons
All over	1,000,000 gallons used per month .947 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than the following amounts according to the size of each meter installed, to-wit; for customers having multiple meter settings, the minimum charge will be the sum of the minimum charges for each of the individual meters;

5/8 inch meter or less	\$ 8.15 per month
3/4 inch meter	12.25 per month
1 inch meter	20.45 per month
1-1/2 inch meter	40.80 per month
2 inch meter	65.35 per month
3 inch meter	122.50 per month
4 inch meter	204.20 per month
6 inch meter	408.30 per month
8 inch meter	653.35 per month

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations.

Applicable in the BLUEFIELD DISTRICT

AVAILABILITY OF SERVICE

Available for Public Fire Service

RATEEXTENSION OF FACILITIES

Each municipality by ordinance of its Council shall have the right to order the installation of additional facilities for public fire service. These facilities may consist of additional fire hydrants on existing mains having an inside diameter of six (6) inches or larger and/or extensions or additions to water system. The City shall pay an annual charge equal to 24% of the cost of any facilities ordered and installed. This charge shall be in twelve equal monthly payments and will be in addition to the rate set forth above.

PROMPT PAYMENT DISCOUNT OR DELAYED PAYMENT PENALTY

None

RULES AND REGULATIONS

See Sheet A-1 for Standard Rules and Regulations.

APPENDIX B

WEST VIRGINIA WATER COMPANY
BLUEFIELD DISTRICT
PRIVATE FIRE PROTECTION SERVICE
CASE NO. 80-293-W-42T

Applicable in entire territory served by the BLUEFIELD DISTRICT.

AVAILABILITY OF SERVICE

Available for private fire protection service.

RATE

Where connections, hydrants, sprinklers, etc., on private property are maintained by consumer:

2 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 5.37 per month
3 inch Service Line with hydrants, sprinklers, and/or hose connections -----	6.43 per month
4 inch Service Line with hydrants, sprinklers, and/or hose connections -----	8.58 per month
6 inch Service Line with hydrants, sprinklers, and/or hose connections -----	19.27 per month
8 inch Service Line with hydrants, sprinklers, and/or hose connections -----	34.24 per month
10 inch Service Line with hydrants, sprinklers, and/or hose connections -----	53.66 per month
12 inch Service Line with hydrants, sprinklers, and/or hose connections -----	77.21 per month

These terms are payable monthly in advance.

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations.

APPENDIX C

WEST VIRGINIA WATER COMPANY
 BLUEFIELD DISTRICT
 COST OF SERVICE
CASE NO. 80-293-W-42T

	11.80%
	<u>Return</u>
Operating Expenses	806,709
Depreciation	32,509
Other Taxes	131,035
Federal Income Taxes	51,235
Credits to Cost of Service	(6,108)
Allowance for Return - Rate Base \$2,320,677	<u>273,840</u>
 Total Cost of Service	 1,289,220
Going-Level Revenue	<u>1,176,678</u>
 Deficiency Before Additional B&O Tax	 112,542
Additional B&O Taxes (5.429%)	<u>6,461</u>
 Total Deficiency Under Present Rates	 119,003
Revenue Increase Under Proposed rates	<u>162,332</u>
 Excess of Increase over Deficiency	 <u><u>43,329</u></u>

APPENDIX A

WEST VIRGINIA WATER COMPANY
GASSAWAY DISTRICT
RATES
CASE NO. 80-294-W-42T

Applicable in entire territory served by the GASSAWAY DISTRICT.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATE

First	2,000 gallons used per month at the minimum charge
Next	28,000 gallons used per month \$3.801 per 1,000 gallons
Next	970,000 gallons used per month 2.341 per 1,000 gallons
All over	1,000,000 gallons used per month 2.341 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than the following amounts according to the size of each meter installed, to-wit; for customers having multiple meter settings, the minimum charge will be the sum of the minimum charges for each of the individual meters;

5/8 inch meter or less	\$ 11.03 per month
3/4 inch meter	16.54 per month
1 inch meter	27.57 per month
1-1/2 inch meter	55.14 per month
2 inch meter	88.22 per month
3 inch meter	165.41 per month
4 inch meter	275.68 per month
6 inch meter	551.36 per month
8 inch meter	882.18 per month

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations.

Applicable in the GASSAWAY DISTRICT

AVAILABILITY OF SERVICE

Available for Public Fire Service

RATEEXTENSION OF FACILITIES

Each municipality by ordinance of its Council shall have the right to order the installation of additional facilities for public fire service. These facilities may consist of additional fire hydrants on existing mains having an inside diameter of six (6) inches or larger and/or extensions or additions to water system. The City shall pay an annual charge equal to 24% of the cost of any facilities ordered and installed. This charge shall be in twelve equal monthly payments and will be in addition to the rate set forth above.

PROMPT PAYMENT DISCOUNT OR DELAYED PAYMENT PENALTY

None

RULES AND REGULATIONS

See Sheet A-1 for Standard Rules and Regulations.

APPENDIX B

WEST VIRGINIA WATER COMPANY
 GASSAWAY DISTRICT
 PRIVATE FIRE PROTECTION SERVICE
CASE NO. 80-294-W-42T

Applicable in entire territory served by the GASSAWAY DISTRICT.

AVAILABILITY OF SERVICE

Available for private fire protection service.

RATE

Where connections, hydrants, sprinklers, etc., on private property are maintained by consumer:

2 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 5.15 per month
3 inch Service Line with hydrants, sprinklers, and/or hose connections -----	6.16 per month
4 inch Service Line with hydrants, sprinklers, and/or hose connections -----	8.16 per month
6 inch Service Line with hydrants, sprinklers, and/or hose connections -----	18.47 per month
8 inch Service Line with hydrants, sprinklers, and/or hose connections -----	32.77 per month
10 inch Service Line with hydrants, sprinklers, and/or hose connections -----	51.21 per month
12 inch Service Line with hydrants, sprinklers, and/or hose connections -----	73.81 per month

These terms are payable monthly in advance.

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations.

APPENDIX C

WEST VIRGINIA WATER COMPANY
 GASSAWAY DISTRICT
 COST OF SERVICE
CASE NO. 80-294-W-42T

	11.80%
	<u>Return</u>
Operating Expenses	110,676
Depreciation	6,398
Other Taxes	12,359
Federal Income Taxes	1,982
Credits to Cost of Service	(1,207)
Allowance for Return - Rate Base \$182,404	<u>21,524</u>
Total Cost of Service	151,732
Going-Level Revenue	<u>133,677</u>
Deficiency Before Additional B&O Tax	18,055
Additional B&O Taxes (5.095%)	<u>969</u>
Total Deficiency Under Present Rates	19,024
Revenue Increase Under Proposed rates	16,349
Excess of Increase over Deficiency	<u>(2,675)</u>

APPENDIX A

WEST VIRGINIA WATER COMPANY
HAMLIN DISTRICT
RATES
CASE NO. 80-295-W-42T

Applicable in the entire territory served by the HAMLIN DISTRICT.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATE

First	2,000 gallons used per month at the minimum charge	
Next	28,000 gallons used per month	\$ 4.484 per 1,000 gal.
Next	970,000 gallons used per month	3.122 per 1,000 gal.
All over	1,000,000 gallons used per month	3.122 per 1,000 gal.

MINIMUM CHARGE

No bill will be rendered for less than the following amounts according to the size of each meter installed, to-wit; for customers having multiple meter settings, the minimum charge will be the sum of the minimum charges for each of the individual meters;

5/8 inch meter or less	\$ 13.00 per month
3/4 inch meter	19.45 per month
1 inch meter	32.45 per month
1-1/2 inch meter	64.95 per month
2 inch meter	103.90 per month
3 inch meter	194.85 per month
4 inch meter	324.80 per month
6 inch meter	649.50 per month
8 inch meter	1,039.25 per month

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations

APPENDIX B

WEST VIRGINIA WATER COMPANY
 HAMLIN DISTRICT
 FIRE PROTECTION SERVICE
 CASE NO. 80-295-W-42T

Applicable in entire territory served by the HAMLIN DISTRICT.

AVAILABILITY OF SERVICE

Available for private fire protection service.

RATE

Where connections, hydrants, sprinklers, etc., on private property are maintained by consumer:

2 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 5.42 per month
3 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 6.57 per month
4 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 8.77 per month
6 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 19.72 per month
8 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 34.95 per month
10 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 54.70 per month
12 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 78.70 per month

Where connections and hydrants on private property are maintained by Company:

Each fire hydrant ----- \$ 22.77 per month

These terms are payable monthly in advance.

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations.

APPENDIX C

WEST VIRGINIA WATER COMPANY
 HAMLIN DISTRICT
 COST OF SERVICE
 CASE NO. 80-295-W-42T

	11.80% Return \$
Operating Expenses	139,624
Depreciation	9,750
Other Taxes	18,728
Federal Income Taxes	3,586
Credits to Cost of Service	(642)
Allowance for Return - Rate Base \$351,410	<u>41,466</u>
TOTAL COST OF SERVICE	212,512
Going-Level Revenue	<u>188,294</u>
Deficiency Before Additional B&O Tax	24,218
Additional B & O Taxes (4.693%)	<u>1,193</u>
TOTAL DEFICIENCY UNDER PRESENT RATES	25,411
Revenue Increase under Proposed Rates	<u>27,185</u>
EXCESS OF INCREASE OVER DEFICIENCY	<u><u>1,774</u></u>

APPENDIX A

WEST VIRGINIA WATER COMPANY
HINTON DISTRICT
RATES
CASE NO. 80-296-W-42T

Applicable in entire territory served by the HINTON DISTRICT.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATE

First	2,000 gallons used per month at the minimum charge
Next	28,000 gallons used per month \$2.358 per 1,000 gallons
Next	970,000 gallons used per month 1.543 per 1,000 gallons
All over	1,000,000 gallons used per month 1.543 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than the following amounts according to the size of each meter installed, to-wit; for customers having multiple meter settings, the minimum charge will be the sum of the minimum charges for each of the individual meters;

5/8 inch meter or less	\$ 8.23 per month
3/4 inch meter	12.34 per month
1 inch meter	20.57 per month
1-1/2 inch meter	41.15 per month
2 inch meter	65.83 per month
3 inch meter	123.44 per month
4 inch meter	205.73 per month
6 inch meter	411.47 per month
8 inch meter	658.35 per month

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations.

Applicable in the HINTON DISTRICT

AVAILABILITY OF SERVICE

Available for Public Fire Service

RATEEXTENSION OF FACILITIES

Each municipality by ordinance of its Council shall have the right to order the installation of additional facilities for public fire service. These facilities may consist of additional fire hydrants on existing mains having an inside diameter of six (6) inches or larger and/or extensions or additions to water system. The City shall pay an annual charge equal to 24% of the cost of any facilities ordered and installed. This charge shall be in twelve equal monthly payments and will be in addition to the rate set forth above.

PROMPT PAYMENT DISCOUNT OR DELAYED PAYMENT PENALTY

None

RULES AND REGULATIONS

See Sheet A-1 for Standard Rules and Regulations.

APPENDIX B

WEST VIRGINIA WATER COMPANY
HINTON DISTRICT
PRIVATE FIRE PROTECTION SERVICE
CASE NO. 80-296-W-42T

Applicable in entire territory served by the HINTON DISTRICT.

AVAILABILITY OF SERVICE

Available for private fire protection service.

RATE

Where connections, hydrants, sprinklers, etc., on private property are maintained by consumer:

2 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 5.54 per month
3 inch Service Line with hydrants, sprinklers, and/or hose connections -----	6.72 per month
4 inch Service Line with hydrants, sprinklers, and/or hose connections -----	8.90 per month
6 inch Service Line with hydrants, sprinklers, and/or hose connections -----	20.09 per month
8 inch Service Line with hydrants, sprinklers, and/or hose connections -----	35.71 per month
10 inch Service Line with hydrants, sprinklers, and/or hose connections -----	55.80 per month
12 inch Service Line with hydrants, sprinklers, and/or hose connections -----	80.32 per month

These terms are payable monthly in advance.

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations.

APPENDIX C

WEST VIRGINIA WATER COMPANY
 HINTON DISTRICT
 COST OF SERVICE
CASE NO. 80-296-W-42T

	11.80%
	<u>Return</u>
Operating Expenses	215,358
Depreciation	16,740
Other Taxes	30,929
Federal Income Taxes	10,229
Credits to Cost of Service	(2,039)
Allowance for Return - Rate Base \$597,371	<u>70,490</u>
 Total Cost of Service	 341,707
Going-Level Revenue	<u>299,084</u>
 Deficiency Before Additional B&O Tax	 42,623
Additional B&O Taxes (4.921%)	<u>2,206</u>
 Total Deficiency Under Present Rates	 44,829
Revenue Increase Under Proposed rates	<u>36,101</u>
 Excess of Increase over Deficiency	 <u>(8,728)</u>

APPENDIX A

WEST VIRGINIA WATER COMPANY
MADISON DISTRICT
RATES
CASE NO. 80-297-W-42T

Applicable in entire territory served by the MADISON District.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATE

First	2,000 gallons used per month at the minimum charge
Next	28,000 gallons used per month \$2.553 per 1,000 gallons
Next	970,000 gallons used per month 1.870 per 1,000 gallons
All over	1,000,000 gallons used per month 1.870 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than the following amounts according to the size of each meter installed, to-wit; for customers having multiple meter settings, the minimum charge will be the sum of the minimum charges for each of the individual meters;

5/8 inch meter or less	\$ 10.55 per month
3/4 inch meter	15.80 per month
1 inch meter	26.30 per month
1-1/2 inch meter	52.65 per month
2 inch meter	84.15 per month
3 inch meter	157.90 per month
4 inch meter	263.10 per month
6 inch meter	526.15 per month
8 inch meter	841.90 per month

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations.

Applicable in the MADISON DISTRICT

AVAILABILITY OF SERVICE

Available for Public Fire Service

RATEEXTENSION OF FACILITIES

Each municipality by ordinance of its Council shall have the right to order the installation of additional facilities for public fire service. These facilities may consist of additional fire hydrants on existing mains having an inside diameter of six (6) inches or larger and/or extensions or additions to water system. The City shall pay an annual charge equal to 24% of the cost of any facilities ordered and installed. This charge shall be in twelve equal monthly payments and will be in addition to the rate set forth above.

PROMPT PAYMENT DISCOUNT OR DELAYED PAYMENT PENALTY

None

RULES AND REGULATIONS

See Sheet A-1 for Standard Rules and Regulations.

APPENDIX B

WEST VIRGINIA WATER COMPANY
MADISON DISTRICT
PRIVATE FIRE PROTECTION SERVICE
CASE NO. 80-297-W-42T

Applicable in entire territory served by the MADISON DISTRICT.

AVAILABILITY OF SERVICE

Available for private fire protection service.

RATE

Where connections, hydrants, sprinklers, etc., on private property are maintained by consumer:

2 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 4.44 per month
3 inch Service Line with hydrants, sprinklers, and/or hose connections -----	5.39 per month
4 inch Service Line with hydrants, sprinklers, and/or hose connections -----	7.08 per month
6 inch Service Line with hydrants, sprinklers, and/or hose connections -----	16.09 per month
8 inch Service Line with hydrants, sprinklers, and/or hose connections -----	28.55 per month
10 inch Service Line with hydrants, sprinklers, and/or hose connections -----	44.51 per month
12 inch Service Line with hydrants, sprinklers, and/or hose connections -----	64.17 per month

These terms are payable monthly in advance.

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations.

APPENDIX C

WEST VIRGINIA WATER COMPANY
MADISON DISTRICT
COST OF SERVICE
CASE NO. 80-297-W-42T

	11.80%
	<u>Return</u>
Operating Expenses	238,987
Depreciation	16,955
Other Taxes	36,340
Federal Income Taxes	7,657
Credits to Cost of Service	(2,998)
Allowance for Return - Rate Base \$629,721	<u>74,307</u>
Total Cost of Service	371,248
Going-Level Revenue	<u>333,506</u>
Deficiency Before Additional B&O Tax	37,742
Additional B&O Taxes (5.193%)	<u>2,067</u>
Total Deficiency Under Present Rates	39,809
Revenue Increase Under Proposed rates	<u>45,760</u>
Excess of Increase over Deficiency	<u><u>5,951</u></u>

APPENDIX A

Page 1 of 2

WEST VIRGINIA WATER COMPANY
MONTGOMERY DISTRICT
RATES
CASE NO. 80-298-W-42T

Applicable in the entire territory served by the MONTGOMERY DISTRICT.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATE

First	2,000 gallons used per month	at the minimum charge
Next	28,000 gallons used per month	\$ 1.908 per 1,000 gal.
Next	970,000 gallons used per month	1.031 per 1,000 gal.
All over	1,000,000 gallons used per month	1.031 per 1,000 gal.

MINIMUM CHARGE

No bill will be rendered for less than the following amounts according to the size of each meter installed, to-wit; for customers having multiple meter settings, the minimum charge will be the sum of the minimum charges for each of the individual meters;

5/8 inch meter or less	\$ 9.75 per month
3/4 inch meter	14.65 per month
1 inch meter	24.35 per month
1-1/2 inch meter	48.75 per month
2 inch meter	78.00 per month
3 inch meter	146.20 per month
4 inch meter	243.65 per month
6 inch meter	487.30 per month
8 inch meter	779.70 per month

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations

LOCAL SALES TAX SURCHARGE

The Municipalities listed below, within the West Virginia Water Company's Montgomery District having imposed an excise tax, exaction or fee based upon a percentage of the revenues from water sales by West Virginia Water Company, within the territorial limits of such Municipality, such taxes, exactions or fees shall be billed as a "surcharge" to the customers receiving service within said territorial limits. This "surcharge" shall be computed at the appropriate effective tax rate levied by the municipality, giving consideration to the additional State gross sales tax resulting therefrom.

Any increase, decrease, elimination or creation of any such taxes, exactions or fees by the municipality shall become effective after the Company has given thirty (30) days' notice to the Public Service Commission of the imposition of or any change in said taxes, by filing a revision of the appropriate tariff sheets.

The monthly bills to such customers referred to above will reflect the aggregate amount resulting from Base Rate, Minimum Charge and this Local Sales Tax Surcharge.

APPENDIX A

Page 2 of 2

Customers receiving service within such Municipalities shall pay a surcharge based on the following effective surcharge rates:

	Local Tax Rate			Surcharge Rate (A)		
	<u>Water Sales</u>	<u>Rents</u>	<u>All Other Business</u>	<u>Water Sales</u>	<u>Rents</u>	<u>All Other Business</u>
Montgomery	.0300	.0073	.0073	.03240	.00769	.00769
Handley	.0400	.0075	.0052	.04367	.00790	.00547

(A) Surcharge Rate =
$$\frac{\text{Local Tax Rate}}{1 - (\text{Local Tax Rate} + \text{W. Va. State Tax Rate})}$$

APPENDIX B

WEST VIRGINIA WATER COMPANY
MONTGOMERY DISTRICT
FIRE PROTECTION SERVICE
CASE NO. 80-298-W-42T

Applicable in entire territory served by the MONTGOMERY DISTRICT.

AVAILABILITY OF SERVICE

Available for private fire protection service.

RATE

Where connections, hydrants, sprinklers, etc., on private property are maintained by consumer:

2 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 3.86 per month
3 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 4.62 per month
4 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 6.16 per month
6 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 13.87 per month
8 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 24.66 per month
10 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 38.51 per month
12 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 55.46 per month

Where connections and hydrants on private property are maintained by Company:

Each fire hydrant ----- \$ 16.03 per month

These terms are payable monthly in advance.

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations.

APPENDIX C

WEST VIRGINIA WATER COMPANY
MONTGOMERY DISTRICT
COST OF SERVICE
CASE NO. 80-298-W-42T

	11.80% Return <u> </u> \$
Operating Expenses	251,975
Depreciation	17,441
Other Taxes	42,954
Federal Income Taxes	8,432
Credits to Cost of Service	(1,140)
Allowance for Return - Rate Base \$650,006	<u>76,701</u>
TOTAL COST OF SERVICE	396,363
Going-Level Revenue	<u>359,524</u>
Deficiency Before Additional B&O Tax	36,839
Additional B & O Taxes (5.416%)	<u>2,109</u>
TOTAL DEFICIENCY UNDER PRESENT RATES	38,948
Revenue Increase under Proposed Rates	<u>53,074</u>
EXCESS OF INCREASE OVER DEFICIENCY	<u><u>14,126</u></u>

APPENDIX A
Page 1 of 2

WEST VIRGINIA WATER COMPANY
OAK HILL DISTRICT
RATES
CASE NO. 80-299-W-42T

Applicable in entire territory served by the OAK HILL DISTRICT.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATE

First	2,000 gallons used per month at the minimum charge
Next	28,000 gallons used per month \$2.514 per 1,000 gallons
Next	970,000 gallons used per month 1.227 per 1,000 gallons
All over	1,000,000 gallons used per month 1.015 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than the following amounts according to the size of each meter installed, to-wit; for customers having multiple meter settings, the minimum charge will be the sum of the minimum charges for each of the individual meters;

5/8 inch meter or less	\$ 9.35 per month
3/4 inch meter	14.00 per month
1 inch meter	23.30 per month
1-1/2 inch meter	46.60 per month
2 inch meter	74.50 per month
3 inch meter	139.85 per month
4 inch meter	233.05 per month
6 inch meter	466.15 per month
8 inch meter	745.80 per month

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations.

LOCAL SALES TAX SURCHARGE

The Municipality of OAK HILL having imposed an excise tax, exaction or fee based upon a percentage of the revenues from water sales by West Virginia Water Company, within the territorial limits of the municipality, such taxes, exactions or fees shall be billed as a "surcharge" to the customers receiving service within said territorial limits. This "surcharge" shall be computed at the appropriate effective tax rate levied by the municipality, giving consideration to the additional State gross sales tax resulting therefrom.

Any increase, decrease, elimination or creation of any such taxes, exactions or fees by the municipality shall become effective after the Company has given thirty (30) days' notice to the Public Service Commission of the imposition of or any change in said taxes, by filing a revision of the appropriate tariff sheets.

The monthly bills to such customers referred to above will reflect the aggregate amount resulting from Base Rate, Minimum Charge and this local Sales Tax Surcharge.

APPENDIX A
Page 2 of 2

Customers receiving service in the Municipality of OAK HILL shall pay a surcharge based on the following effective surcharge rates:

<u>Local Tax Rate</u>			<u>Surcharge Rate (A)</u>		
<u>Water Sales</u>	<u>Rents</u>	<u>All Other Business</u>	<u>Water Sales</u>	<u>Rents</u>	<u>All Other Business</u>
.0120	.00315	.00315	.01271	.00331	.00331

(A) Surcharge Rate =
$$\frac{\text{Local Tax Rate}}{1 - (\text{Local Tax Rate} + \text{W. Va. State Tax Rate})}$$

APPENDIX B

WEST VIRGINIA WATER COMPANY
OAK HILL DISTRICT
PRIVATE FIRE PROTECTION SERVICE
CASE NO. 80-299-W-42T

Applicable in entire territory served by the OAK HILL DISTRICT.

AVAILABILITY OF SERVICE

Available for private fire protection service.

RATE

Where connections, hydrants, sprinklers, etc., on private property are maintained by consumer:

2 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 3.24 per month
3 inch Service Line with hydrants, sprinklers, and/or hose connections -----	3.90 per month
4 inch Service Line with hydrants, sprinklers, and/or hose connections -----	5.18 per month
6 inch Service Line with hydrants, sprinklers, and/or hose connections -----	11.67 per month
8 inch Service Line with hydrants, sprinklers, and/or hose connections -----	20.70 per month
10 inch Service Line with hydrants, sprinklers, and/or hose connections -----	32.37 per month
12 inch Service Line with hydrants, sprinklers, and/or hose connections -----	46.58 per month

Where connections and hydrants on private property are maintained by Company:

Each fire hydrant -----	13.48 per month
-------------------------	-----------------

These terms are payable monthly in advance.

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations.

APPENDIX C

WEST VIRGINIA WATER COMPANY
OAK HILL DISTRICT
COST OF SERVICE
CASE NO. 80-299-W-42T

	11.80%
	<u>Return</u>
Operating Expenses	614,886
Depreciation	61,102
Other Taxes	91,436
Federal Income Taxes	23,945
Credits to Cost of Service	(2,994)
Allowance for Return - Rate Base \$2,148,935	<u>253,574</u>
 Total Cost of Service	 1,041,949
Going-Level Revenue	<u>890,584</u>
 Deficiency Before Additional B&O Tax	 151,365
Additional B&O Taxes (5.296%)	<u>8,465</u>
 Total Deficiency Under Present Rates	 159,830
Revenue Increase Under Proposed rates	<u>211,577</u>
 Excess of Increase over Deficiency	 <u><u>51,747</u></u>

APPENDIX A

Page 1 of 2

WEST VIRGINIA WATER COMPANY
PRINCETON DISTRICT
RATES
CASE NO. 80-300-W-42T

Applicable in the entire territory served by the PRINCETON DISTRICT.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATE

First	2,000 gallons used per month at the minimum charge	
Next	28,000 gallons used per month	\$ 3.405 per 1,000 gal.
Next	970,000 gallons used per month	1.506 per 1,000 gal.
All over	1,000,000 gallons used per month	1.180 per 1,000 gal.

MINIMUM CHARGE

No bill will be rendered for less than the following amounts according to the size of each meter installed, to-wit; for customers having multiple meter settings, the minimum charge will be the sum of the minimum charges for each of the individual meters;

5/8 inch meter or less	\$ 8.10 per month
3/4 inch meter	12.15 per month
1 inch meter	20.15 per month
1-1/2 inch meter	40.40 per month
2 inch meter	64.60 per month
3 inch meter	121.15 per month
4 inch meter	201.95 per month
6 inch meter	403.95 per month
8 inch meter	646.25 per month

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations

LOCAL SALES TAX SURCHARGE

The Municipality of Princeton having imposed an excise tax, exaction or fee based upon a percentage of the revenues from water sales by West Virginia Water Company, within the territorial limits of such Municipality, such taxes, exactions or fees shall be billed as a "surcharge" to the customers receiving service within said territorial limits. This "surcharge" shall be computed at the appropriate effective tax rate levied by the municipality, giving consideration to the additional State gross sales tax resulting therefrom.

Any increase, decrease, elimination or creation of any such taxes, exactions or fees by the municipality shall become effective after the Company has given thirty (30) days' notice to the Public Service Commission of the imposition of or any change in said taxes, by filing a revision of the appropriate tariff sheets.

The monthly bills to such customers referred to above will reflect the aggregate amount resulting from Base Rate, Minimum Charge and this Local Sales Tax Surcharge.

APPENDIX A
Page 2 of 2

Customers receiving service within the Municipality of Princeton shall pay a surcharge based on the following effective surcharge rates:

<u>Local Tax Rate</u>			<u>Surcharge Rate (A)</u>		
<u>Water Sales</u>	<u>Rents</u>	<u>All Other Business</u>	<u>Water Sales</u>	<u>Rents</u>	<u>All Other Business</u>
.0400	.0100	.0100	.04367	.01057	.01057

(A) Surcharge Rate =
$$\frac{\text{Local Tax Rate}}{1 - (\text{Local Tax Rate} + \text{W. Va. State Tax Rate})}$$

APPENDIX B

WEST VIRGINIA WATER COMPANY
 PRINCETON DISTRICT
 FIRE PROTECTION SERVICE
 CASE NO. 80-300-W-42T

Applicable in entire territory served by the PRINCETON DISTRICT.

AVAILABILITY OF SERVICE

Available for private fire protection service.

RATE

Where connections, hydrants, sprinklers, etc., on private property are maintained by consumer:

2 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 2.98 per month
3 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 3.54 per month
4 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 4.77 per month
6 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 10.72 per month
8 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 19.12 per month
10 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 29.84 per month
12 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 41.80 per month

Where connections and hydrants on private property are maintained by Company:

Each fire hydrant ----- \$ 12.47 per month

These terms are payable monthly in advance.

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations.

APPENDIX C

WEST VIRGINIA WATER COMPANY
 PRINCETON DISTRICT
 COST OF SERVICE
 CASE NO. 80-300-W-42T

	11.80%
	<u>Return</u>
	\$
Operating Expenses	710,329
Depreciation	55,177
Other Taxes	127,241
Federal Income Taxes	34,825
Credits to Cost of Service	(4,783)
Allowance for Return - Rate Base \$2,530,837	<u>298,639</u>
TOTAL COST OF SERVICE	1,221,428
Going-Level Revenue	<u>1,093,113</u>
Deficiency Before Additional B&O Tax	128,315
Additional B & O Taxes (5.295%)	<u>7,174</u>
TOTAL DEFICIENCY UNDER PRESENT RATES	135,489
Revenue Increase under Proposed Rates	<u>192,030</u>
EXCESS OF INCREASE OVER DEFICIENCY	<u><u>56,541</u></u>

APPENDIX A
Page 1 of 2WEST VIRGINIA WATER COMPANY
SUTTON DISTRICT
RATES

CASE NO. 80-301-W-42T

Applicable in the entire territory served by the SUTTON DISTRICT.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATE

First	2,000 gallons used per month at the minimum charge	
Next	28,000 gallons used per month	\$ 4.605 per 1,000 gal.
Next	970,000 gallons used per month	2.848 per 1,000 gal.
All over	1,000,000 gallons used per month	2.848 per 1,000 gal.

MINIMUM CHARGE

No bill will be rendered for less than the following amounts according to the size of each meter installed, to-wit; for customers having multiple meter settings, the minimum charge will be the sum of the minimum charges for each of the individual meters;

5/8 inch meter or less	\$ 11.95 per month
3/4 inch meter	17.85 per month
1 inch meter	29.80 per month
1-1/2 inch meter	59.55 per month
2 inch meter	95.30 per month
3 inch meter	178.75 per month
4 inch meter	297.85 per month
6 inch meter	595.80 per month
8 inch meter	953.25 per month

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations

LOCAL SALES TAX SURCHARGE

The Municipality of Sutton having imposed an excise tax, exaction or fee based upon a percentage of the revenues from water sales by West Virginia Water Company, within the territorial limits of such Municipality, such taxes, exactions or fees shall be billed as a "surcharge" to the customers receiving service within said territorial limits. This "surcharge" shall be computed at the appropriate effective tax rate levied by the municipality, giving consideration to the additional State gross sales tax resulting therefrom.

Any increase, decrease, elimination or creation of any such taxes, exactions or fees by the municipality shall become effective after the Company has given thirty (30) days' notice to the Public Service Commission of the imposition of or any change in said taxes, by filing a revision of the appropriate tariff sheets.

The monthly bills to such customers referred to above will reflect the aggregate amount resulting from Base Rate, Minimum Charge and this Local Sales Tax Surcharge.

APPENDIX A
Page 2 of 2

Customers receiving service within the Municipality of Sutton shall pay a surcharge based on the following effective surcharge rates:

<u>Local Tax Rate</u>			<u>Surcharge Rate (A)</u>		
<u>Water Sales</u>	<u>Rents</u>	<u>All Other Business</u>	<u>Water Sales</u>	<u>Rents</u>	<u>All Other Business</u>
.0400			.04367		

(A) Surcharge Rate =
$$\frac{\text{Local Tax Rate}}{1 - (\text{Local Tax Rate} + \text{W. Va. State Tax Rate})}$$

APPENDIX B

WEST VIRGINIA WATER COMPANY
 SUTTON DISTRICT
 FIRE PROTECTION SERVICE
 CASE NO. 80-301-W-42T

Applicable in entire territory served by the SUTTON DISTRICT.

AVAILABILITY OF SERVICE

Available for private fire protection service.

RATE

Where connections, hydrants, sprinklers, etc., on private property are maintained by consumer:

2 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 3.09 per month
3 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 3.73 per month
4 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 4.95 per month
6 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 11.12 per month
8 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 19.73 per month
10 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 30.85 per month
12 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 44.40 per month

Where connections and hydrants on private property are maintained by Company:

Each fire hydrant ----- \$ 12.85 per month

These terms are payable monthly in advance.

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations.

APPENDIX C

WEST VIRGINIA WATER COMPANY
SUTTON DISTRICT
COST OF SERVICE
CASE NO. 80-301-W-42T

	<u>11.80%</u> <u>Return</u> \$
Operating Expenses	106,273
Depreciation	7,383
Other Taxes	12,517
Federal Income Taxes	2,227
Credits to Cost of Service	(5)
Allowance for Return - Rate Base \$300,507	<u>35,460</u>
TOTAL COST OF SERVICE	163,855
Going-Level Revenue	<u>136,570</u>
Deficiency Before Additional B&O Tax	27,285
Additional B & O Taxes (5.20%)	<u>1,497</u>
TOTAL DEFICIENCY UNDER PRESENT RATES	28,782
Revenue Increase under Proposed Rates	<u>43,663</u>
EXCESS OF INCREASE OVER DEFICIENCY	<u><u>14,881</u></u>

APPENDIX A
Page 1 of 2WEST VIRGINIA WATER COMPANY
WEBSTER SPRINGS DISTRICT
RATES
CASE NO. 80-302-W-42T

Applicable in the entire territory served by the WEBSTER SPRINGS DISTRICT.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATE

First	2,000 gallons used per month	at the minimum charge
Next	28,000 gallons used per month	\$ 5.08 per 1,000 gal.
Next	970,000 gallons used per month	4.11 per 1,000 gal.
All over	1,000,000 gallons used per month	4.11 per 1,000 gal.

MINIMUM CHARGE

No bill will be rendered for less than the following amounts according to the size of each meter installed, to-wit; for customers having multiple meter settings, the minimum charge will be the sum of the minimum charges for each of the individual meters;

5/8 inch meter or less	\$ 15.00 per month
3/4 inch meter	22.50 per month
1 inch meter	37.50 per month
1-1/2 inch meter	75.00 per month
2 inch meter	120.00 per month
3 inch meter	225.00 per month
4 inch meter	375.00 per month
6 inch meter	750.00 per month
8 inch meter	1,200.00 per month

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations

LOCAL SALES TAX SURCHARGE

The Municipality of Webster Springs having imposed an excise tax, exaction or fee based upon a percentage of the revenues from water sales by West Virginia Water Company, within the territorial limits of such Municipality, such taxes, exactions or fees shall be billed as a "surcharge" to the customers receiving service within said territorial limits. This "surcharge" shall be computed at the appropriate effective tax rate levied by the municipality, giving consideration to the additional State gross sales tax resulting therefrom.

Any increase, decrease, elimination or creation of any such taxes, exactions or fees by the municipality shall become effective after the Company has given thirty (30) days' notice to the Public Service Commission of the imposition of or any change in said taxes, by filing a revision of the appropriate tariff sheets.

The monthly bills to such customers referred to above will reflect the aggregate amount resulting from Base Rate, Minimum Charge and this Local Sales Tax Surcharge.

APPENDIX A
Page 2 of 2

Customers receiving service within the Municipality of Webster Springs shall pay a surcharge based on the following effective surcharge rates:

<u>Local Tax Rate</u>			<u>Surcharge Rate (A)</u>		
<u>Water Sales</u>	<u>Rents</u>	<u>All Other Business</u>	<u>Water Sales</u>	<u>Rents</u>	<u>All Other Business</u>
.0200	.0115	.0015	.02137	.01217	.00159

(A) Surcharge Rate =
$$\frac{\text{Local Tax Rate}}{1 - (\text{Local Tax Rate} + \text{W. Va. State Tax Rate})}$$

APPENDIX B

WEST VIRGINIA WATER COMPANY
 WEBSTER SPRINGS DISTRICT
 FIRE PROTECTION SERVICE
 CASE NO. 80-302-W-42T

Applicable in entire territory served by the WEBSTER SPRINGS DISTRICT.

AVAILABILITY OF SERVICE

Available for private fire protection service.

RATE

Where connections, hydrants, sprinklers, etc., on private property are maintained by consumer:

2 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 5.16 per month
3 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 6.21 per month
4 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 8.29 per month
6 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 18.64 per month
8 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 33.23 per month
10 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 51.97 per month
12 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 74.88 per month

Where connections and hydrants on private property are maintained by Company:

Each fire hydrant ----- \$ 21.63 per month

These terms are payable monthly in advance.

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations.

APPENDIX C

WEST VIRGINIA WATER COMPANY
 WEBSTER SPRINGS DISTRICT
 COST OF SERVICE
 CASE NO. 80-302-W-42T

	11.80%
	<u>Return</u>
	\$
Operating Expenses	173,506
Depreciation	5,931
Other Taxes	16,527
Federal Income Taxes	2,929
Credits to Cost of Service	(10)
Allowance for Return - Rate Base \$211,630	<u>24,972</u>
TOTAL COST OF SERVICE	223,855
Going-Level Revenue	<u>178,145</u>
Deficiency Before Additional B&O Tax	45,710
Additional B & O Taxes (5.179%)	<u>2,497</u>
TOTAL DEFICIENCY UNDER PRESENT RATES	48,207
Revenue Increase under Proposed Rates	<u>45,433</u>
EXCESS OF INCREASE OVER DEFICIENCY	<u>(2,774)</u>

APPENDIX A

WEST VIRGINIA WATER COMPANY
WESTON DISTRICT
RATES
CASE NO. 80-303-W-42T

Applicable in entire territory served by the Weston District.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATE

First	2,000 gallons used per month at the minimum charge
Next	28,000 gallons used per month \$2.614 per 1,000 gallons
Next	970,000 gallons used per month 1.586 per 1,000 gallons
All over	1,000,000 gallons used per month 1.385 per 1,000 gallons

MINIMUM CHARGE

No bill will be rendered for less than the following amounts according to the size of each meter installed, to-wit; for customers having multiple meter settings, the minimum charge will be the sum of the minimum charges for each of the individual meters;

5/8 inch meter or less	\$ 10.38 per month
3/4 inch meter	15.58 per month
1 inch meter	25.91 per month
1-1/2 inch meter	51.87 per month
2 inch meter	82.97 per month
3 inch meter	155.55 per month
4 inch meter	258.24 per month
6 inch meter	518.51 per month
8 inch meter	829.61 per month

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations.

Applicable in the WESTON DISTRICT

AVAILABILITY OF SERVICE

Available for Public Fire Service

RATEEXTENSION OF FACILITIES

Each municipality by ordinance of its Council shall have the right to order the installation of additional facilities for public fire service. These facilities may consist of additional fire hydrants on existing mains having an inside diameter of six (6) inches or larger and/or extensions or additions to water system. The City shall pay an annual charge equal to 24% of the cost of any facilities ordered and installed. This charge shall be in twelve equal monthly payments and will be in addition to the rate set forth above.

PROMPT PAYMENT DISCOUNT OR DELAYED PAYMENT PENALTY

None

RULES AND REGULATIONS

See Sheet A-1 for Standard Rules and Regulations.

APPENDIX B

WEST VIRGINIA WATER COMPANY
WESTON DISTRICT
PRIVATE FIRE PROTECTION SERVICE
CASE NO. 80-303-W-42T

Applicable in entire territory served by the WESTON DISTRICT.

AVAILABILITY OF SERVICE

Available for private fire protection service.

RATE

Where connections, hydrants, sprinklers, etc., on private property are maintained by consumer:

2 inch Service Line with hydrants, sprinklers, and/or hose connections -----	\$ 6.01 per month
3 inch Service Line with hydrants, sprinklers, and/or hose connections -----	7.21 per month
4 inch Service Line with hydrants, sprinklers, and/or hose connections -----	9.58 per month
6 inch Service Line with hydrants, sprinklers, and/or hose connections -----	21.62 per month
8 inch Service Line with hydrants, sprinklers, and/or hose connections -----	38.45 per month
10 inch Service Line with hydrants, sprinklers, and/or hose connections -----	60.07 per month
12 inch Service Line with hydrants, sprinklers, and/or hose connections -----	86.47 per month

These terms are payable monthly in advance.

RULES AND REGULATIONS

See Sheets A-1, 2, 3, 4, 5, 6 for Standard Rules and Regulations.

APPENDIX C

WEST VIRGINIA WATER COMPANY
 WESTON DISTRICT
 COST OF SERVICE
CASE NO. 80-303-W-42T

	11.80%
	<u>Return</u>
Operating Expenses	409,118
Depreciation	23,870
Other Taxes	57,884
Federal Income Taxes	16,102
Credits to Cost of Service	(2,215)
Allowance for Return - Rate Base \$1,033,061	<u>121,901</u>
Total Cost of Service	626,660
Going-Level Revenue	<u>564,967</u>
Deficiency Before Additional B&O Tax	61,693
Additional B&O Taxes (5.337%)	<u>3,478</u>
Total Deficiency Under Present Rates	65,171
Revenue Increase Under Proposed rates	<u>62,059</u>
Excess of Increase over Deficiency	<u>(3,112)</u>

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2023-00191
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT'S
SECOND REQUEST FOR INFORMATION**

Witness: Jeffrey Newcomb

5. Please refer to LFUCG DR 1-6. Please provide all written agreements, contracts, ordinances and other documentation governing the relationship between KAWC and the City of Georgetown whereby KAWC includes a hydrant surcharge added to their bill for customers in Georgetown.

Response:

Please see KAW_R_LFUCGDR2_NUM005_092123_Attachment 1 for the ordinance governing the relationship between KAWC and the City of Georgetown whereby KAWC includes a hydrant surcharge added to their bill for customers in Georgetown.

CITY OF GEORGETOWN
ORDINANCE NO. 2015-010

AN ORDINANCE AMENDING ORDINANCE 99-045 REGARDING HYDRANT FEES

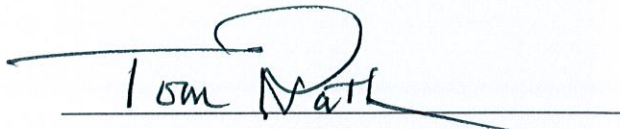
SUMMARY

1. Amends Ordinance # 99-045 is to revise the criteria for when a hydrant served by the Kentucky American Water Company is accepted by the city into the public fire protection system and therefore becomes the city's responsibility for service charges from Kentucky American. Bases acceptance on the distance of hydrants from habitable structures, rather than dedication of street infrastructure.
2. Provides that hydrants intended to be private are exempt from the standard and remain private unless specifically accepted by the city council
3. Reduces the city's administrative fee from fifteen percent to two percent.
4. Provides for severability, repeal of inconsistent ordinances and an effective date upon passage and publication.

PUBLICLY INTRODUCED AND READ FIRST TIME: July 13, 2015

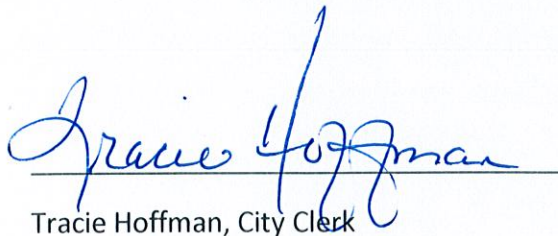
PUBLICLY READ SECOND TIME AND PASSED: August 10, 2015

APPROVED:

A handwritten signature in black ink that reads "Tom Prather". The signature is written over a horizontal line.

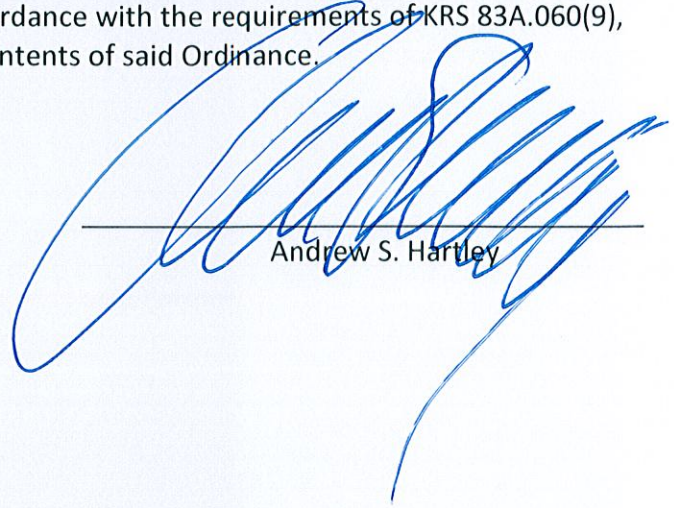
Tom Prather, Mayor

ATTEST:

A handwritten signature in blue ink that reads "Tracie Hoffman". The signature is written over a horizontal line.

Tracie Hoffman, City Clerk

I, Andrew S. Hartley, hereby certify I am an Attorney licensed to practice law in the Commonwealth of Kentucky. My office is located at 100 North Court Street, Georgetown, Kentucky 40324. I further certify the foregoing Summary of Ordinance 15-010 of the City of Georgetown, Kentucky, was prepared in accordance with the requirements of KRS 83A.060(9), and is a true and accurate summary of the contents of said Ordinance.



Andrew S. Hartley

CITY OF GEORGETOWN
ORDINANCE NO. 2015-010

AN ORDINANCE AMENDING ORDINANCE 99-045 REGARDING HYDRANT FEES

Sponsor – Council Member David Lusby

WHEREAS: The Georgetown City Council desires to amend the hydrant fees ordinance to revise the standard for when a hydrant is accepted into the public hydrant system;

NOW, THEREFORE, be it ordained by the City of Georgetown, Kentucky, as follows:

SECTION ONE

Ordinance # 99-045 is amended as follows:

(a) *Establishment of hydrant fee.* A fee for fire hydrants shall be charged of all customers, within the area of the city served by ~~KyAm~~ (the Kentucky American Water Company (“KyAm”). This fee shall cover all costs related to the maintenance of fire hydrants within the KyAm service area. Related costs shall include the city's cost of administering the collection of the fee and the required remittance to KyAm in satisfaction of all fire hydrant service charges levied for the provision and maintenance of fire hydrants within the KyAm service.

(b) *Calculation of hydrant fee.* The fire hydrant fee to be charged customers of the KyAm service area shall be calculated as follows: (1) The KyAm annual service charge per hydrant times the number of hydrants in the KyAm service area yields the amount to be collected from the benefitted residents. The number of hydrants used in this calculation shall be the actual number of hydrants in service plus that number reasonably anticipated for installation during the coming year;

(2) The amount determined in paragraph (1) above, times one hundred and two (102)~~(fifteen (115))~~ percent, yields the total income the city must receive to cover the service charge for all hydrants anticipated during the year in which the established fee is to be collected, the expense of administering the collection and payment of funds under this section, additional funds necessary to offset income lost due to nonpayment of fee and interim rate increases. In the event the actual experience reveals that one hundred and two (102)~~(fifteen (115))~~ percent of the KyAm service charge is not sufficient to cover the actual costs described above, the city, upon documentation of the insufficiency, may establish the total required income under this paragraph at greater than one hundred and two (102)~~(fifteen (115))~~ percent of the amount determined in paragraph (1) above;

(3) The amount determined in paragraph b., above, divided by the number of customers yields the annual amount to be collected from each customer in the KyAm service area;

(4) The amount determined in paragraph (3), above, divided by twelve (12) yields the monthly payment to be collected from each customer.

(c) *Annual review of hydrant fee.* On or before January 1 of each succeeding year after the effective date of the hydrant fee, the city shall review the fee calculated under subsection (b) above, making such adjustments as are necessary to maintain the fee at one hundred fifteen (115) percent of that amount required to cover the anticipated annual cost of the KyAm service fee for fire hydrants, subject to the provisions of subsection (b)(2).

(d) *Responsibility for hydrant service charge.* The initial responsibility for the service charge for KyAm hydrants shall rest with the person or entity with whom KyAm contracted for the installation of the hydrant. The City shall assume responsibility for the service charge for a hydrant when the hydrant is accepted by the City as part of the public fire protection system. Hydrants which are installed as part of the public fire protection ~~[service]~~ system shall be installed pursuant to approved development plans or subdivision plats and dedicated to the city's use as part of the public fire protection ~~[service]~~ system. The city's acceptance of the dedication of a hydrant shall occur whenever any structure or part thereof for which a certificate of occupancy has been issued lies within the hydrant's Service Area. For purposes of this section, Service Area means a circle with a hydrant as the center point and a radius equal to one half (1/2) of the minimum distance between hydrants, as required by the applicable standard adopted by the City of Georgetown. Application for acceptance of a hydrant into the public fire protection system shall be made to the Fire Marshal, on a form issued by him or her. Upon a determination by the Fire Marshal that a hydrant meets the criteria in this section for acceptance into the public fire protection service and certification of such to the City Clerk, such hydrant shall be automatically accepted into the public fire protection system and such acceptance shall not require approval of the city council. [shall occur at such time as the public improvements, of which the hydrant is part, are installed according to the approved plan pursuant to the provisions of KRS 100.277(4). The city shall assume responsibility for the KyAm service fee upon acceptance of the dedication (e.g. a developer will be responsible for the cost of the hydrant until he or she has installed all public improvements according to a planning commission approved plan or plat. Upon acceptance of the installed hydrant into the public fire protection system, the city shall assume responsibility for hydrant payments to KyAm.)] Notwithstanding the provisions of this section, responsibility for hydrants that are or were not intended to be dedicated to the city as part of the public fire protection system shall remain with the person or entity with whom KyAm contracted for the installation of the hydrant and such person or entity's successors and assigns unless specifically accepted by the city council for maintenance as part of the public fire protection system.

(e) *Responsibility of Kentucky American Water Company.* The Kentucky American Water Company shall cooperate with the city in the provision of all necessary information related to the location and number of KyAm fire hydrants within the city's limits and the number and location of KyAm's customers. KyAm shall include the city's fire hydrant fee on its water bill to

customers within the city's boundaries. KyAm shall remit to the city all hydrant fee payments collected. The remittance of these payments shall be on or before the tenth day of each month.

(f) *Commencement of hydrant fee payments.* The KyAm customers' monthly hydrant payments shall commence upon the completion of the following:

- (1) The calculation of the city's fee as provided above;
- (2) Notification to KyAm of the amount to be collected;
- (3) The inclusion of the amount to be collected on the KyAm customer water bill; and
- (4) If necessary, approval by the public service commission of the inclusion of the city's fee on the KyAm customer water bill.

SECTION TWO - If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held invalid or unlawful by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions hereof.

SECTION THREE - This Ordinance shall become effective on adoption and publication.

PUBLICLY INTRODUCED AND READ FIRST TIME: July 13, 2015

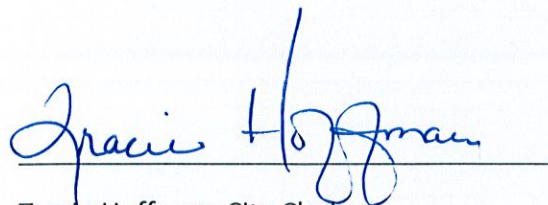
PUBLICLY READ SECOND TIME AND PASSED: August 10, 2015

APPROVED:

A handwritten signature in blue ink that reads "Tom Prather". The signature is written over a horizontal line.

Tom Prather, Mayor

ATTEST:

A handwritten signature in blue ink that reads "Tracie Hoffman". The signature is written over a horizontal line.

Tracie Hoffman, City Clerk

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2023-00191
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT'S
SECOND REQUEST FOR INFORMATION**

Witness: William A. Lewis

6. Please refer to LFUCG DR 1-8. Please provide written records submitted to Peaks Mill Water District in response to its request for proposal.

Response:

Please see attachments 1 and 2 which are being filed pursuant to a Petition for Confidential Treatment.

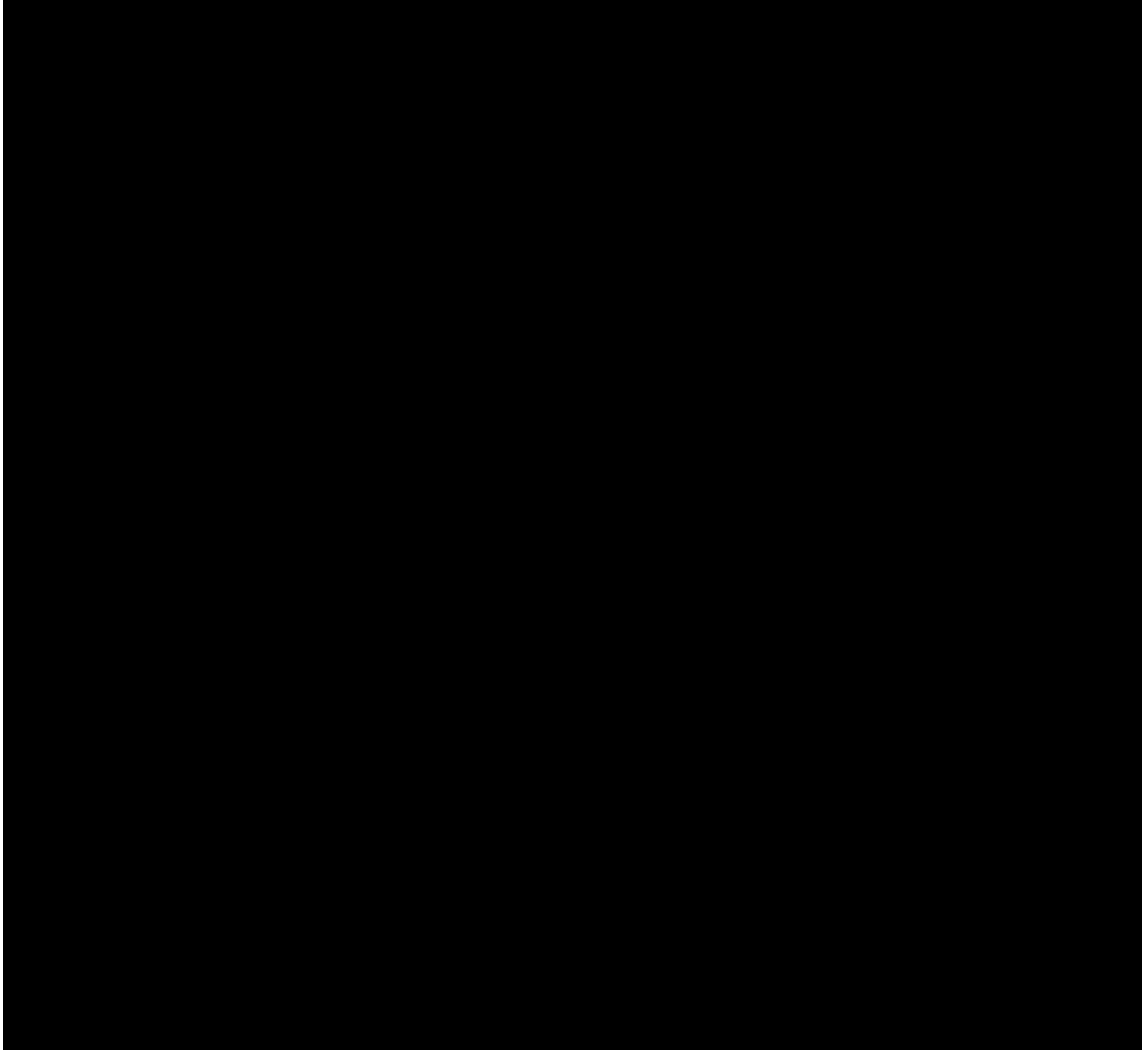
**KAW_R_LFUCGDR2_NUM006_092123_
ATTACHMENT 1_CONFIDENTIAL
FILED UNDER SEAL PURSUANT TO THE PETITION FOR
CONFIDENTIAL TREATMENT FILED ON SEPTEMBER 21, 2023**

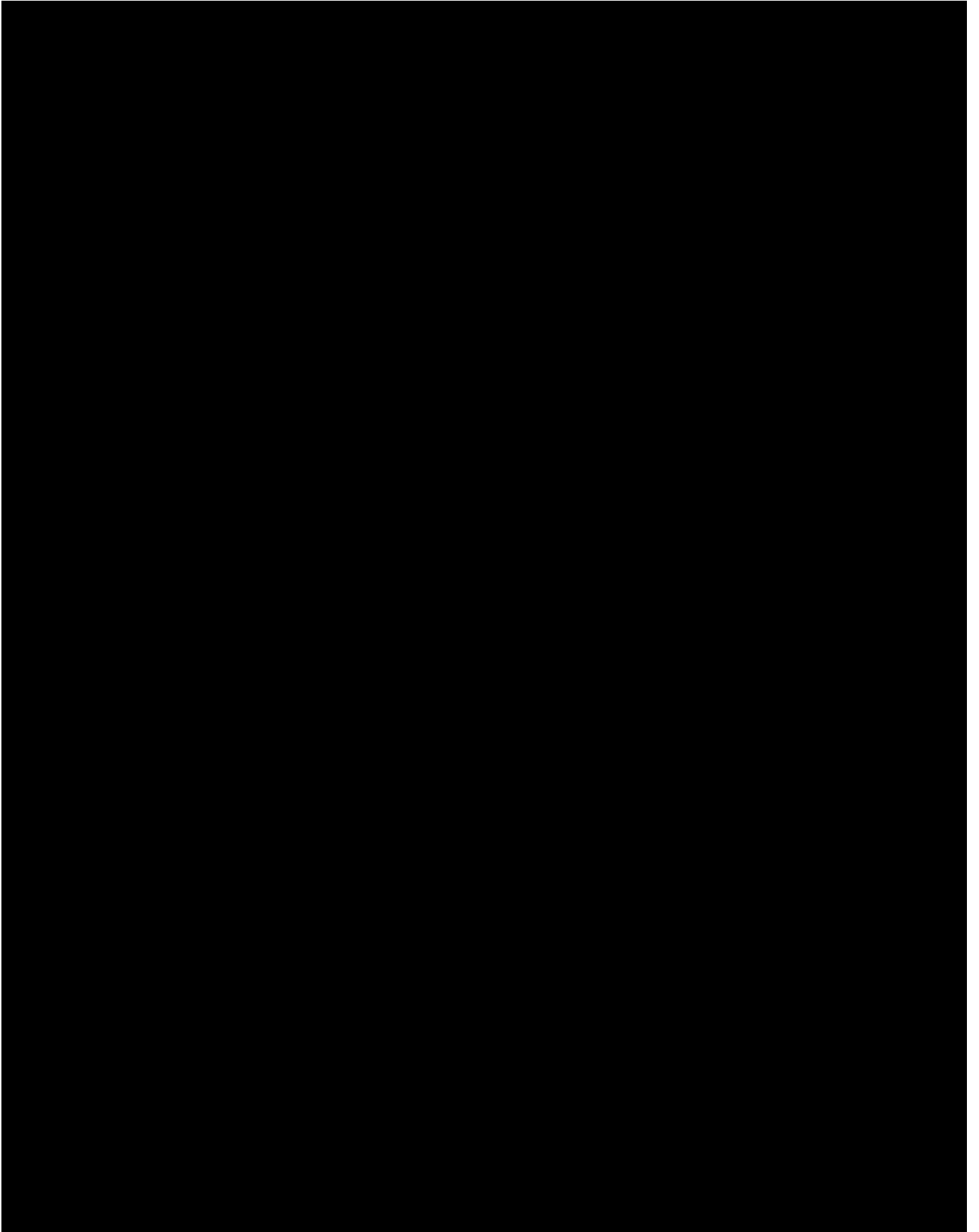
**KAW Response to PM Proposal Questions
for Kentucky American Water
5/19/2023**

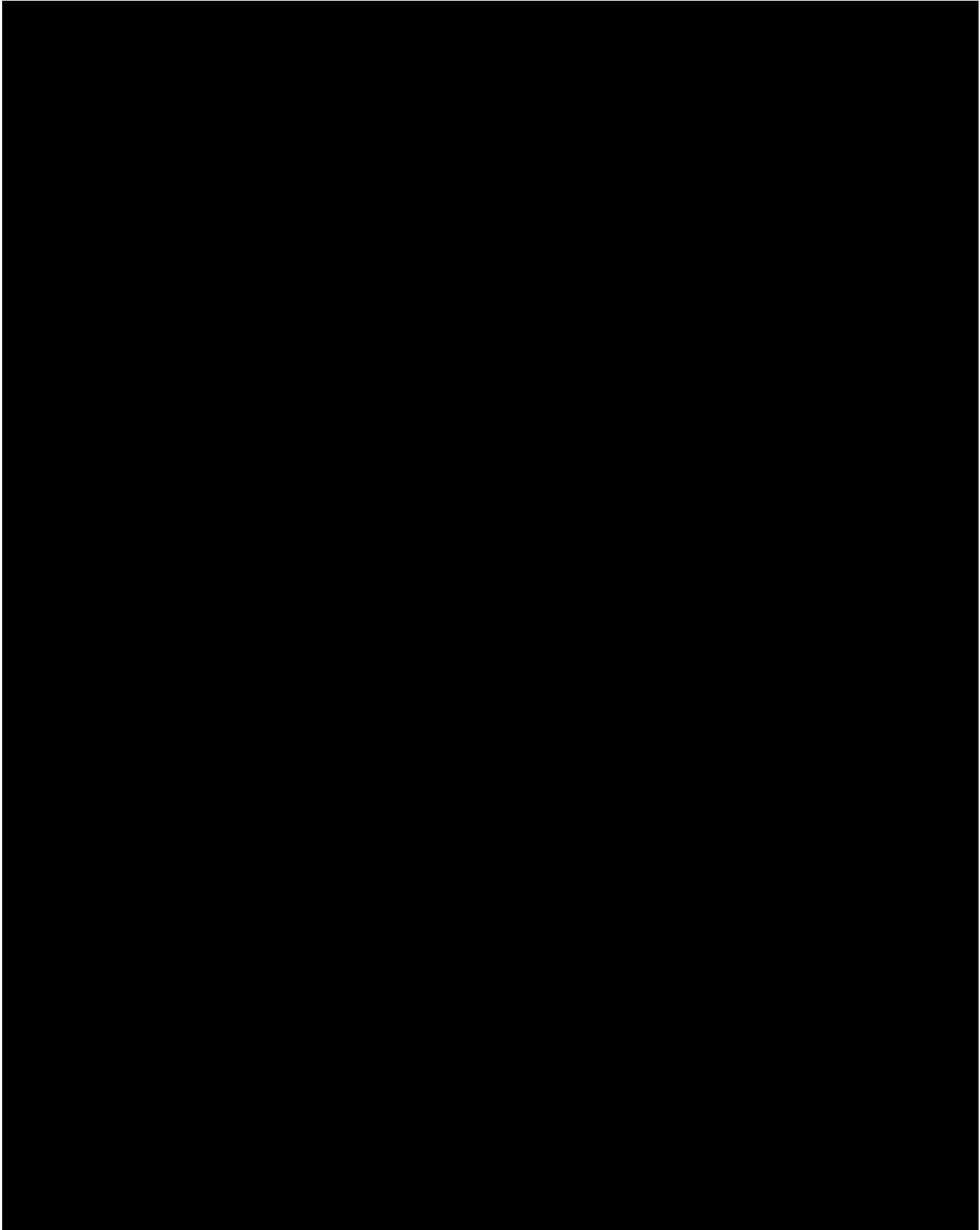
KAW = Kentucky American Water

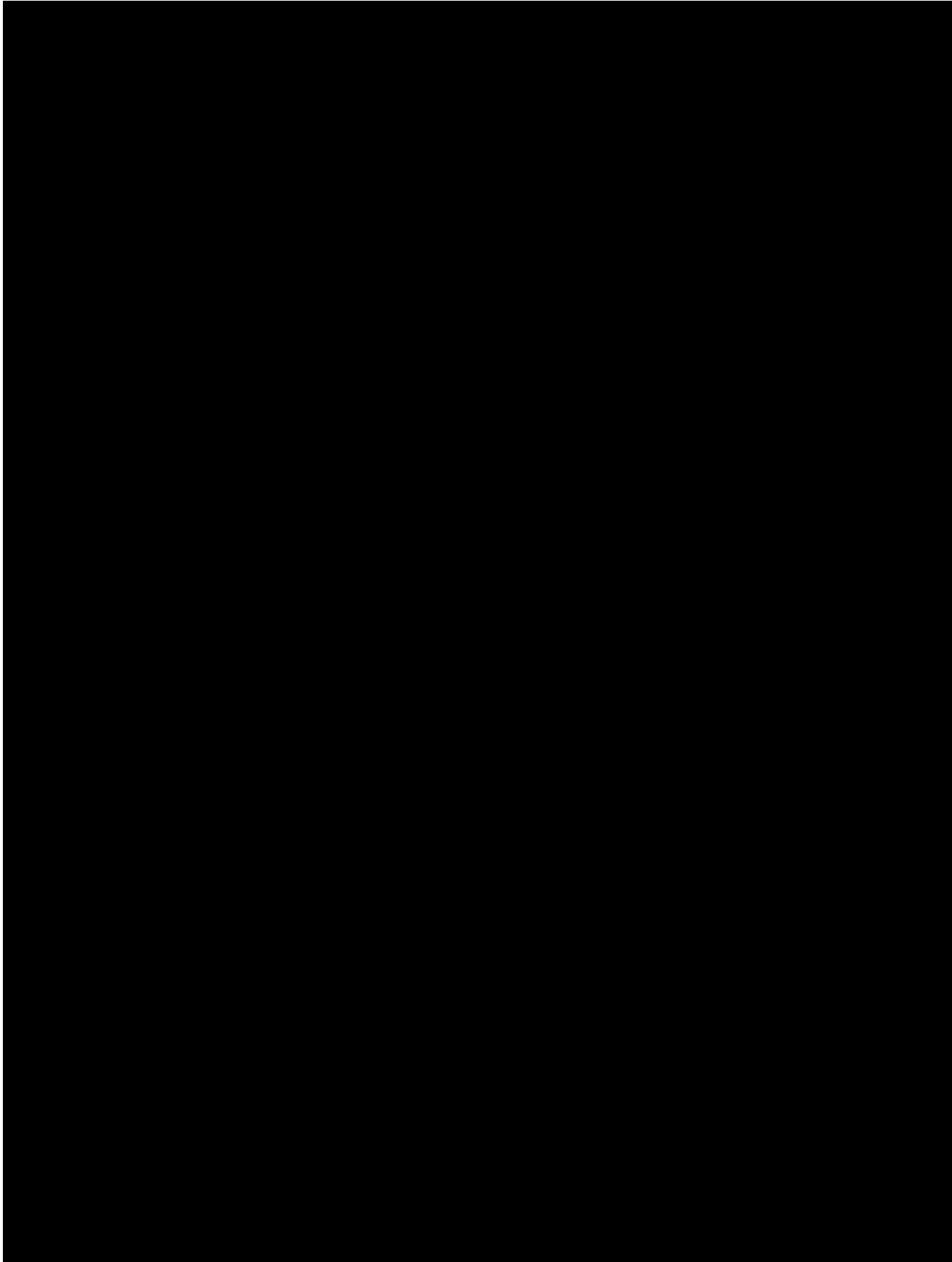
PM = Peaks Mill Water District

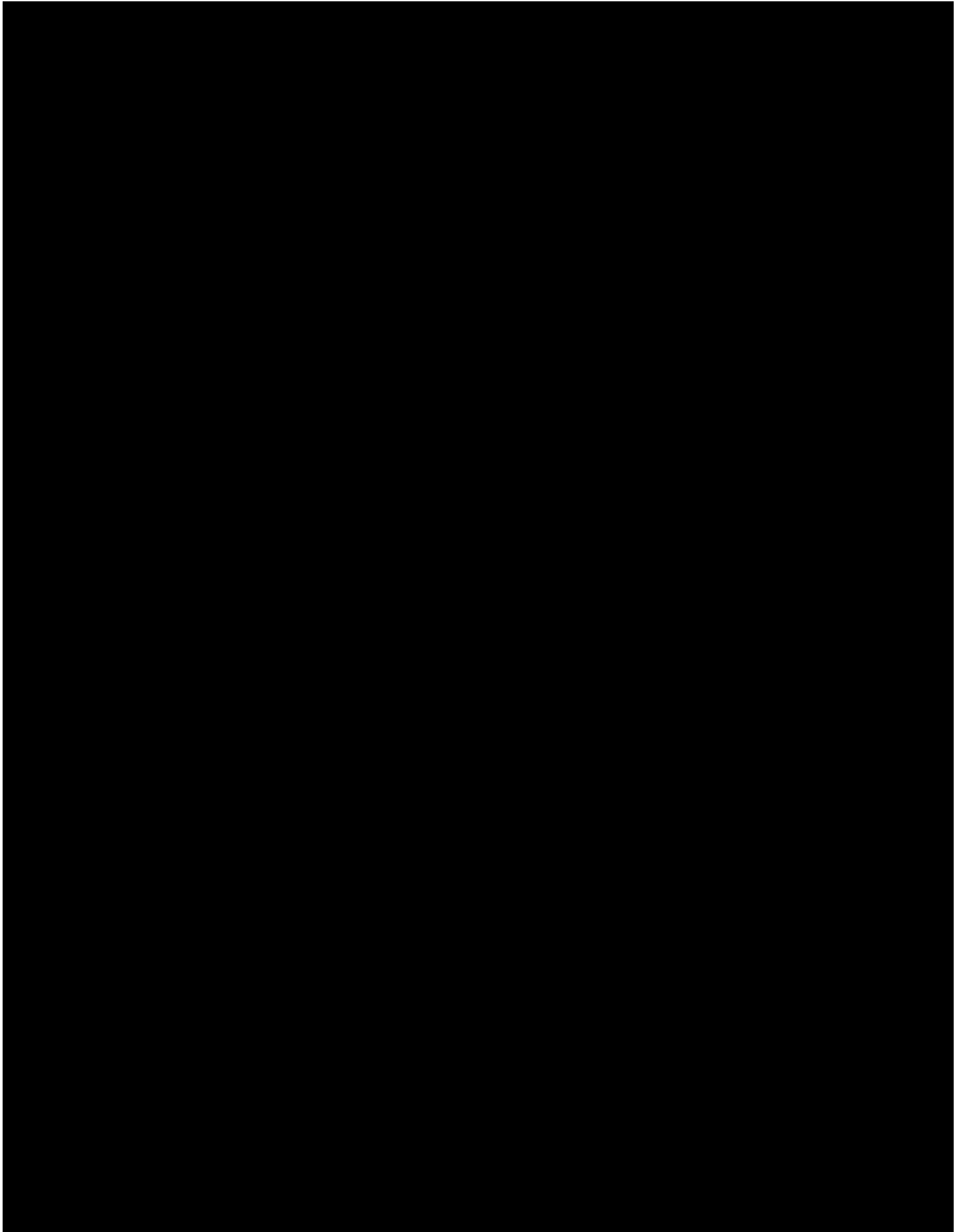
KAW Responses are in blue font

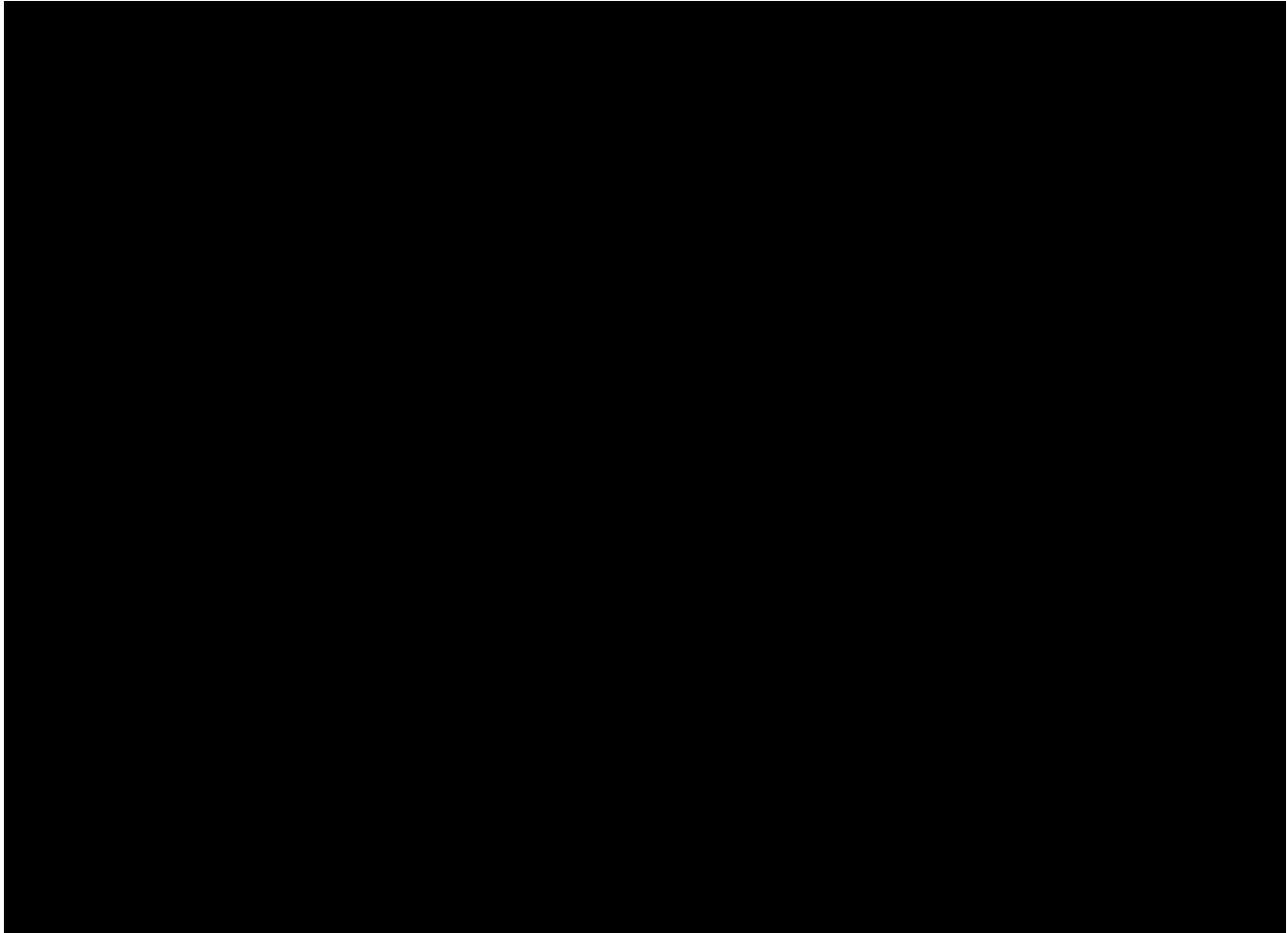












QUESTION 15 – KAW TARIFF

KENTUCKY-AMERICAN WATER COMPANY

2300 Richmond Road
Lexington, KY 40502

<http://www.amwater.com/kyaw>

RATES – CHARGES – RULES – REGULATIONS

FOR FURNISHING

WATER SERVICE

AT

**BOURBON, CLARK, FAYETTE, FRANKLIN, GALLATIN, GRANT, HARRISON,
JACKSON, JESSAMINE, NICHOLAS, OWEN, SCOTT, WOODFORD, AND ROCKCASTLE
COUNTIES IN KENTUCKY**

FILED WITH THE

PUBLIC SERVICE COMMISSION

OF

KENTUCKY


ISSUED: March 1, 2023
EFFECTIVE: March 31, 2023

ISSUED BY: /s/ Kathryn Nash
Kathryn Nash
President
2300 Richmond Road, Lexington, KY 40502

Approved:

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Linda C. Bridwell
Executive Director



EFFECTIVE

3/31/2023

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

INDEXKENTUCKY-AMERICAN WATER COMPANY RULES AND REGULATIONS FOR WATER SERVICE

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(D)
(D)

(D) indicates deletion

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)

CONFIDENTIAL INFORMATION REDACTED
KENTUCKY-AMERICAN WATER COMPANY

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(N) indicates new rate or requirement

ISSUED: November 28, 2018

EFFECTIVE: June 28, 2019

ISSUED BY: /s/ Nick O. Rowe

Nick O. Rowe

President

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Approved:

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Gwen R. Pinson
Executive Director



EFFECTIVE

6/28/2019

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

1. DEFINITIONS APPLICABLE TO RULES & REGULATIONS

- 1.1 "Commission" means the Kentucky Public Service Commission.
- 1.2 "Company" shall mean the Kentucky-American Water Company acting through its officers, managers, or other duly authorized employees or agents.
- 1.3 "Customer" shall mean any person, firm, corporation, entity or municipality supplied with water service by Kentucky-American Water Company pursuant to these Rules and Regulations.
- 1.4 "Bona fide prospective customer" shall mean any owner or lessee who is to be the occupant of an existing developed premises having a curb line abutting on that part of a street or public highway in which there is, or is to be, located a distribution main of the Company, who shall file a signed application for a new street service connection and for water service to such premises to be occupied.
- 1.5 "Residential" – Sales to single premise residences, or to multiple premises residences where each premises is served through a single Meter. Sprinkler services added to existing premises coded as residential would also be coded as residential. For premises served through a single Meter with multiple owners, where usage is primary for residential purposes, and the water is billed to a homeowner association such as a condominium complex they will be classified as residential and charged the residential rate.
- 1.6 "Commercial" – Sales to multiple premises residences served through a single Meter or battery of Meters. This would include two (or more) family houses and apartment houses. Sales to private schools, colleges, hospitals, churches and other private educational, cultural, social or religious organizations. Sales to business or manufacturing establishments where the water is not used principally in manufacturing or processing functions. This would include commercial offices of public utilities. Examples under this category are: stores, laundries, cleaners, shoe repair and other service establishments, garages and service stations, office buildings, sales offices or manufacturing or processing establishments, retail florists, theaters, bowling alleys, swim clubs, golf courses, manufacturing or processing establishment where water is used principally for sanitary purposes, barber shops. Water used for irrigation for agricultural purposes would normally be coded as commercial. Sprinkler services added to existing premises coded as commercial or industrial would also be coded as commercial.
- 1.7 "Industrial" – Sales to manufacturing or processing establishments where the water is used principally in manufacturing or processing function. This would include public or private utility plants using water for steam generation, power production, etc.

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Nick O. Rowe

President

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- 1.8 Other Public Authority or “OPA” – Sales to municipal, county, state or federal agencies (other than the sales of water for resale). Examples under this category are: city buildings, public schools, public housing developments, libraries and hospitals, fire stations, county, state and federal buildings and agencies.
- 1.9 Sales for Resale or “Resale” – Sales to private or public water utilities where the water is to be resold to customers of the utilities.
- 1.10 “Meter” means a device which measures and records the quantity of water supplied to a Customer.
- 1.11 “Company Service Line” means that portion of the water service line and appurtenances from the main to the Customer Service Line that is paid for and/or owned by the Company.
- 1.12 “Customer Service Line” means that portion of the water service line and appurtenances from the Customer’s Premises to the Company Service Line, which is paid for and/or owned by the Customer. When the Meter is outside the Premises, the Customer Service Line is from the Meter pit to the Premises. When the Meter is inside the Premises, the Customer Service Line is from the stop box to the Premises.
- 1.13 “Premises” as contemplated in these Rules, shall mean and include:
- 1.13.1 A building under one roof and occupied as one business or residence; or
- 1.13.2 A combination of buildings owned or leased by one party in one common enclosure or a single tract of land not crossed by public streets, roads, or ways, and occupied by one family or business; or
- 1.13.3 a building owned or leased by one party, having two or more apartments, offices, or suites of offices, and using one or more halls and entrances in common; or
- 1.13.4 a double house having a solid vertical partition wall or a building erected as a single family residence served through one street service connection and subsequently converted into apartments or offices or a combination of such, and where separate water supply plumbing would not be practicable; or
- 1.13.5 each residential or business single occupancy unit, served through one street service connection in a building which is not a premise otherwise defined in these Rules.
- 1.13.6 any other location at which the Company provides metered service to a Customer in

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Nick O. Rowe

President

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accordance with these Rules regardless of whether there is a structure or building at that exact location.

- 1.14 "Fire Service Connection" is one to which is attached fixtures from which water is taken only for the extinguishment of fire.
- 1.15 "Public Fire Hydrant" - All public fire hydrants contracted for or ordered by Urban County, Municipality, County, State or Federal Agencies or Institutions. These must be located on or immediately adjacent to public right-of-way.
- 1.16 "Private Fire Hydrant" – All hydrants contracted for or by private entities on private property for the use of that entity or on private right-of-way. Also for public agencies for hydrants not located on public right-of-way.
- 1.17 "New Private Fire Hydrant Service" is available to areas before such time as a unit of government shall agree to pay public fire protection charges thereon in accordance with Rule 11 herein.
- 1.18 "Private Fire Service" – All private and public fire protection service lines with hose connections or sprinkler systems charged by line size.
- 1.19 "Temporary Service Connection" is one which is installed for the temporary use of water, including service to individual mobile homes. Provided: They are located on lots having a curb line abutting on that part of a street or public highway in which there is, or is to be, located a distribution main of the Company extending for at least one-half of the frontage of the lot on said street or highway.
- 1.20 "Rate" means the Company's Schedules of Rates and Tariffs then in effect.
- 1.21 "Rules" or "Rule" means these Company Rules and Regulations applicable to water service.

2. SERVICE & APPLICATIONS

2.1 Rules and Regulations Governing Rendering of Service


- (a) The Rules and Regulations in their entirety as hereinafter set forth or as they may hereafter be altered or amended in a regular and legal manner shall govern the rendering of water service and every Customer will be bound thereby. The Rules and Regulations and Service Classifications contained in this tariff apply in the service territory of Kentucky-American

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Nick O. Rowe
President
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Approved:

KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director 
EFFECTIVE 6/28/2019 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Water Company.

- (b) Except fire and some special connection services, all service will be rendered on a Meter basis. Residential, commercial, industrial and OPA service are only regularly available for single Premises as "Premises" is defined in these Rules.

2.2 Requests for Water Service

- (a) All persons, entities, firms, corporations or OPA's desiring water service, must request service from the Company in a manner prescribed by the Company, setting forth all purposes for which water will be used at the Premises for which service is requested. All information provided by the Customer must be true, accurate and kept up to date.
- (b) Any change in the identity of the Customer at a Premises will require a new request for water service and the Company may, after reasonable notice, discontinue the water supply until such new request has been made and accepted.
- (c) A Customer who has requested service and been accepted by the Company, shall be held liable for all water service furnished to the Premises until such time as the Customer properly notifies the Company to discontinue the service for his/her account at the Premises.
- (d) An activation fee will be charged in accordance with the Company's Tariff.
- (e) No Customer receiving water service from the Company will be permitted to use water for any other purpose than that for which they shall have requested and the Company shall have approved.
- (f) The Company may refuse service to a Customer with an outstanding, unpaid balance due until the Customer pays the balance due.

2.3 Special Arrangements for Water Service


- (a) Water for building or construction purposes must be specially applied for.
- (b) Connections for private fire service and private fire hydrant service must be specially applied for.
- (c) Water for transient or temporary purposes must be specially applied for.

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
<p>Gwen R. Pinson Executive Director</p> 
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3. BILLING, ABATEMENTS & REFUNDS**3.1 Abatements and Refunds**

Abatement shall be made for leaks in service pipes or fixtures belonging to the Customer in accordance to Tariff.

3.2 Meter Bill Adjustment

- (a) Whenever a Meter in service is found upon periodic request or complaint test to be more than two percent (2%) fast, additional tests shall be made at once to determine the average error of the Meter. Said tests shall be made in accordance with the Commission's regulation applicable to the type of Meter involved. Meter testing shall be conducted in accordance with the then-applicable Rules.
- (b) Determination of Meter Error for Bill Adjustment Purposes. When upon periodic request or complaint test, a Meter is found to be in error in excess of the limits allowed by the Commission's regulations, three additional tests shall be made; one at 75% of rated maximum capacity; one at 50% of rated maximum capacity; one at 25% of rated maximum capacity. The average Meter error shall be the algebraic average of the errors of the three tests.
- (c) If the result of tests on a Customer's Meter shows an average error greater than two percent (2%) fast, then the Customer's bill, for the period during which the Meter error is known to have existed, shall be recomputed and the account adjusted on the basis of the test. If the period during which the error existed cannot be determined with reasonable precision, the time period shall be estimated using the data as elapsed time since the last meter test, if applicable, and historical usage data for the customer. If that data is not available, the average usage of a similar class of customers shall be used for comparison purposes in calculating the time period. (See exception in Section (f) of this Rule).
- (d) If the result of tests on a Customer's Meter shows an average error greater than two percent (2%) slow, then the Customer's bill for the period during which the Meter error is known to have existed, may be recomputed and the account adjusted on the basis of the test. If the period during which the error existed cannot be determined with reasonable precision, the time period shall be estimated using the data as elapsed time since the last meter test, if applicable, and historical usage data for the customer. If that data is not available, the average usage of a similar class of customers shall be used for

ISSUED: November 28, 2018**EFFECTIVE:** June 28, 2019**ISSUED BY:** /s/ Nick O. Rowe

Nick O. Rowe

President

2300 Richmond Road, Lexington, KY 40502

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Approved:

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Gwen R. Pinson
Executive Director



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6/28/2019

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

comparison purposes in calculating the time period. The Company will limit the period of recovery for under-billing to only the most recent twelve (12) months of under-billing, even if the under-billing occurred for a longer period.

- (e) It shall be understood that when a Meter is found to have an error in excess of two percent (2%) fast or slow the figure for calculating the amount of refund or the amount to be collected by the Company shall be that percentage of error as determined by the test; i.e., it is the duty of the Company to maintain the accuracy of its measuring device as nearly one hundred percent (100%) as is commercially practicable. Therefore, percent error shall be that difference between one hundred percent (100%) and that amount of error as indicated by the test.
- (f) The burden of maintaining measuring equipment so that it will register accurately is upon the Company; therefore, if Meters are found upon test to register fast and if time for periodic test has overrun to the extent that one-half (1/2) of the time elapsed since the last previous test exceeds twelve (12) months, the refund shall be as specified in Section C of this Rule and in addition thereto, a like refund for those months exceeding the periodic test period; provided, however, that the Commission may relieve the utility from this requirement in any particular case in which it is shown that the failure to make the periodic test was due to causes beyond the utility's control.

3.3 Terms and Conditions of Billing and Payment

- (a) All fire service charges shall be payable monthly in arrears.
- (b) Bills for water service by Meter will be rendered monthly with ending dates as may be determined by the Company.
- (c) Bills for private fire hydrants shall be payable quarterly in advance, except that the charges for private fire hydrant service shall be payable as set forth in Rule 11.
- (d) Special charges shall be payable upon demand.
- (e) All bills for water and service are due and payable when rendered and are considered delinquent if not paid in accordance with Tariff and Commission regulations. Failure to pay will render the Customer subject to disconnection and subject to payment of reconnection in Tariff. If any bill for water service is not paid in accordance with Tariff, the service may be discontinued in accordance with Rule 4, Disconnecting & Reconnecting Service.
- (f) Customers are responsible for furnishing the Company with their correct billing

ISSUED: November 28, 2018

EFFECTIVE: June 28, 2019

ISSUED BY: /s/ Nick O. Rowe

Nick O. Rowe

President

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Approved:

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Gwen R. Pinson
Executive Director



EFFECTIVE

6/28/2019

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

addresses (email or postal address). Failure to receive bills will not be considered an excuse for non-payment nor permit an extension of the date when the account would be considered delinquent.

- (g) All bills will be sent to the billing address (email or postal address) provided when requesting water service unless the Company is notified in writing by the Customer of any change of billing address.
- (h) The Company will not be bound by bills rendered under mistake of fact as to the quantity of service rendered.
- (i) The use of water by the same Customer in different Premises or localities will not be combined.
- (j) If for any reason service is discontinued before the expiration of twenty-five (25) days from commencement of service, a bill for a prorated portion of the minimum service charge for the month will be rendered.
- (k) Residential Customers may elect to participate in a monthly budget billing payment plan. Under such a plan, Customers shall pay a fixed monthly amount determined by the Company based on historical or estimated usage. A Customer may enroll in such a plan at any time by contacting the Company. The Company will issue bills so as to bring each customer's account current once each 12-month period or through a series of leveled adjustments on monthly basis if usage indicates that the account will not be current upon payment of the monthly budget amount. If a Customer fails to pay bills as required under the plan, the Company reserves the right to remove the Customer from the plan, restore the customer to regular billing, and require immediate payment of any deficiency.

4. DISCONNECTING AND RECONNECTING SERVICE

4.1 Discontinuance of Water Service


- (a) Water service will be discontinued to any Premises on account of temporary vacancy upon request of the Customer, without in any way affecting the agreement in force, and upon payment of all charges due as provided for in the Rates and Rules of the Company.
- (b) The Company shall discontinue the Customer's service for violation of any Rule or for non-payment of bills upon providing the Customer with at least ten (10) days written notice

ISSUED: November 28, 2018
EFFECTIVE: June 28, 2019

ISSUED BY: /s/ Nick O. Rowe
Nick O. Rowe
President
2300 Richmond Road, Lexington, KY 40502

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Approved:

KENTUCKY PUBLIC SERVICE COMMISSION
<p style="color: red;">Gwen R. Pinson Executive Director</p> 
EFFECTIVE 6/28/2019 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

delivered by mail or personally delivered to him/her or a member of his/her household, advising the Customer of what Rule had been violated and for which service will be discontinued if violation continues. However, discontinuance of service shall be effected no less than twenty (20) days after the mailing date of the original bill unless, prior to discontinuance, a residential customer presents to the Company a written certificate, signed by a physician, registered nurse or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises. In that case, discontinuance may not be effected for thirty (30) days beyond the termination date as calculated above. Where fraudulent use of water is detected, or where the Company's regulating or measuring equipment has been tampered with, or where a dangerous condition is found to exist on the Customer's Premises, service may be shut off without advance notice. Subject to the foregoing provisions, service rendered under any application, contract or agreement may be discontinued by the Company for any of the following reasons:

- i. For willful or indifferent waste of water due to any cause which adversely affects either water service to other Customers or the Company's utility operation.
- ii. For failure to protect from injury or damage the Meter and connections, or for failure to protect and maintain the service pipe or fixtures on the property of the Customer, in a condition satisfactory to the Company.
- iii. For interfering or tampering by the Customer, or others with the knowledge of the Customer, with any Meter, connection, service pipe, curb stop, seal or any other appliance of the Company controlling or regulating the Customer's water supply.
- iv. For failure to provide the Company's employees free and reasonable access to the Premises or for obstructing the way of ingress to the Meter or other appliance of the Company controlling or regulating the Customer's water supply (with at least fifteen (15) days advance written notice).
- v. For non-payment of any account for water supplied, for water service, or for Meter or service maintenance, or for any other fee or charge at the Premise accruing under these Rates and Rules. Discontinuation of service for non-payment on an account shall only be made at the Premise associated with that Account and will not occur for other accounts held by the same Customer that are current in payments unless the Customer has requested multiple accounts or premises be combined for billing purposes.

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ISSUED BY: /s/ Nick O. Rowe

Nick O. Rowe

President

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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
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- vi. In case of vacancy of the premises.
 - vii. For violation of any other Rule or Regulation of the Company or State and Municipal Rules and Regulations applying to the Company's water service.
- (c) In cases where plumbing has been installed prior to adoption of and not in accordance with these Rules, and where water is being taken through a single service pipe to supply two or more Premises, the party making application shall be responsible for all water bills and other legitimate charges. Any violation of the Company Rules with reference to either or any of the said Premises or for the supply of water thereto, shall be deemed a violation as to all, and the Company may enforce compliance with these Rules by shutting off the entire service except that such action will not be taken until the innocent Customer who is not in violation of the Company's Rules, has been given a reasonable notice and opportunity to attach his pipes to a separately controlled curb stop, to be provided by and at the expense of the Company.
- (d) Discontinuing the supply of water to a Premises for any such reason shall not prevent the Company from pursuing any lawful remedy by action at law or otherwise for the collection of moneys due from the Customer.

4.2 Renewal of Water Service After Discontinuance

- (a) When water service to a Premises has been terminated for any reason other than temporary vacancy, it will be renewed only after the conditions, circumstances or practices which caused the water service to be discontinued are corrected to the satisfaction of the Company, and upon payment of all charges due and payable by the Customer in accordance with the Rates and Rules.
- (b) No Customer whose service has been turned off shall turn on same, or have same done by anyone other than the Company.

4.3 Reconnection Charge

When it has been necessary to discontinue water service to any Premises because of a violation of the Rules or on account of non-payment of any bill, a charge will be made to cover the expense as set forth in the Company's Schedule of Rates and Charges. This charge, together with any arrears that may be due the Company for charges against the Customer, must be paid before the water will be reconnected.

5. COMPLAINTS

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5.1 Customer Complaints

Any complaint against the service or employees of the Company may be made at the office of the Company or by telephone, mail or email. The Company will handle all Complaints in accordance with regulatory requirements.

6. METERS, TESTING AND ACCURACY

6.1 Meters

- (a) Water will be sold by Meter measurement only.
- (b) All Meters, except detector devices and/or fire service line Meters, will be installed, maintained and replaced by; and at the expense of the Company, but in case of damage to such Meters by reason of any act, neglect or omission on the part of the Customer (such as damages occasioned by accident or misuse or purposeful actions) the Customer shall pay to the Company the cost of its repair on presentation of bill therefore.
- (c) The Company reserves the right to determine the kind and size of Meter that shall be placed on any service pipe, and such Meters will be furnished, installed and removed by the Company alone, and shall remain its property.
- (d) Each Premise shall be supplied through an independent Meter setting.
- (e) If more than one Meter setting is installed upon a Customer's Premise, the usage of all Meters on a Premise may be combined for billing purposes if so requested by the Customer. Combined billing will be continued as long as the Premises criteria is met.
- (f) All Meters are accurately tested before installation and are also periodically tested in accordance with the Public Service Commission's regulations. The Company may at any time remove any Meter for periodic tests or for repairs or replacement and may, at its option and expense, test any Meter when the Company has reason to believe that it is registering inaccurately.
- (g) The Company shall make any test of any Meter upon written request of the Customer if the request is not made more frequently than once each twelve (12) months. The Customer shall be given the opportunity to be present at the requested test. The Customer may be billed the actual cost of making the test, but should the said Meter be found, upon said test, to be more than two percent incorrect to the prejudice of the Customer, the fee so charged shall be returned to the Customer.

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- (h) The Company reserves the right to put seals on any water Meter, or on couplings in and for any premises, and may shut off the supply if such seals are found broken or removed.
- (i) Once any Meter has been placed, any change in location requested by the Customer will be done by the Company, at the expense of the Customer, if the location is acceptable pursuant to 6.1(k).
- (j) Monitoring of Customer usage shall be in compliance with the then-applicable Rules and Regulations. The Company monitors Customer usage on a monthly basis through its collection of usage information. Upon the collection of that information, the Company compares usage for a particular month with a Customer's historical usage. To the extent the current month's usage show an unusual deviation from historical usage, the Company will notify the Customer and take steps to determine the reason for the unusual deviation.
- (k) Meters may be located either in an outdoor Meter box or vault, at the option of the Company. The location of the Meter must be acceptable to the Company and allow for the Meter to be easily examined, tested, repaired, read, removed or replaced. The Meter box or vault shall be located in a convenient and readily accessible location acceptable to the Company. The Meter box or vault must be constructed to protect the Meter from freezing and damage by vehicular traffic, and its location and design shall prevent, as far as possible, the inflow of surface water. After a Meter is installed by the Company, a Customer shall not tamper with, alter, repair or remove the Meter or allow anyone other than the Company to do so. Any plumbing, piping, grading or structural modification which could result in the relocation of the Meter or impact accessibility must first be approved by the Company.

6.2 Accuracy Requirements of Water Meters

- (a) General. All meters used for measuring the quantity of water delivered to a customer shall be in good mechanical condition and shall be adequate in size and design for the type of service which they measure.
- (b) Determination of Accuracy. No new, rebuilt or repaired meter shall be placed in service if it registers outside the parameters established in the then-applicable Rules and Regulations.
- (c) As Found Tests. All meters tested in accordance with the rules for periodic, request or complaint tests, shall be tested in the condition as found in the Customer's service prior to any alteration or adjustment in order to determine the average meter error.

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7. PROTECTION OF PUBLIC WATER SYSTEM**7.1 Intercepting and Storage Tanks**

- (a) Customer Service Lines shall not be connected to the suction side of pumps, unless approved by the Company. Customers who require a large quantity of water within a short period of time must have intercepting or intermediate storage tanks, pump discharge control valves, or other controls approved by the Company.
- (b) The inlet connection for the tanks attached directly or indirectly to the Customer Service Line shall discharge at a point no less than two (2) times the diameter of the inlet pipe above the overflow of such tanks and must be approved by the Company.

7.2 Check Valves, Flush Valves and Vacuum Breakers

- (a) Customers having boilers or hot water heating systems connected with mains of the Company must have a check valve in the supply pipe to the boilers and hot water heating systems, together with a relief valve at some point between the check valve and heating system. A vacuum valve should be installed, in accordance to applicable plumbing requirements, in the steam line to prevent collapse in case the water supply is interrupted. The Company, however, will not be responsible for accidents or damages resulting from the imperfect action or failure of said valves.
- (b) Flush valve or direct flushing closets should not be installed in Premises where the service pipe supplying such Premises is connected to a main two inches or less in diameter. All flush valves shall be equipped with approved type vacuum breakers.

7.3 Plumbing Work Must Be Approved by Company

All plumbing work done in connection with pipe and fixtures connected with the Company's mains shall be submitted for the approval of the Company before such work is covered up. Whenever the Company determines that plumbing work is defective, the Company may require it be corrected before the water will be turned on.

7.4 Cross-Connections

- (a) No cross-connection will be permitted unless an acceptable form of protection against contamination by backflow into the water distribution system is provided by a testable backflow prevention assembly. Acceptable forms of protection must comply with all applicable state and local requirements and approved by the Company. The required protective device or system shall be provided, installed and maintained by the Customer in good working condition, at the

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Customer's expense, and shall be subject to testing and approval of the Company before being placed in service, and at such times thereafter as may be deemed necessary by the Company.

- (b) Any cross-connection existing which is in violation of these Rules shall be immediately removed or corrected. Failure of the Customer to do so may result in immediate termination of water service in accordance with Rule 4.

8. RIGHTS AND RESPONSIBILITIES

8.1 Customers Requiring Uninterrupted Supply

- (a) The Company will endeavor to give reasonable service but does not guarantee a sufficient or consistent pressure or an absolutely uninterrupted supply of water, and Customers are cautioned to provide sufficient storage of water where an absolutely uninterrupted supply must be assured, such as for steam boilers, domestic hot water systems, gas engines, etc.
- (b) Fixtures or devices taking a supply of water directly from the service pipes, depending upon the hydraulic pressure of the pipe system of the Company for supplying same under working pressure, will do so at the risk of the parties making such attachments, as the Company will not be responsible for any accidents or damages to which such fixtures or devices are subject.

8.2 Interruptions in Water Supply

- (a) The Company reserves the right at any time to shut off the water in the Mains without notice in case of accident or emergency, or for the purpose of making connections, extensions, improvements, alterations, repairs, changes, or for other proper business reasons, and may restrict the use of water to reserve a sufficient supply in its reservoirs for fire protection or other emergencies whenever the public welfare may so require in accordance with Commission Rules. Notwithstanding any other provision in these Rules or any contract or agreement between the Company and any Customer, when, in the judgment of the Company, sufficient supplies of water are not available to the Company, for any reason, to meet all existing and reasonably anticipated demands for service or to preserve and replenish its storage in amounts sufficient to provide fire protection on its system, the Company shall have the right to restrict, limit, curtail or interrupt water service to or water usage by any Customer or Customers.
- (b) The temporary shutting off of water from any Premises for any cause, whether non-payment of bills, leaking pipes, fixtures, etc. shall not cancel a contract for water supply service except at the option of the Company or upon notice from the Customer.

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8.3 Liability of Company

- (a) The Company shall not in any way or under any circumstances be held liable or responsible to any person or persons for any loss or damage from any excess or deficiency in the pressure, volume, or supply of water, due to any cause whatsoever. The Company will undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuations in the service, but it cannot and does not guarantee that such will not occur.
- (b) The Company will make every effort to maintain a pressure on the distribution system that is required for reasonable service and is compliant with federal and state requirements, but it does not guarantee to furnish at all times any given quantity for fire uses or for general purposes.
- (c) The Company shall not be responsible for accidents or damages to boilers, hot water tanks, etc., resulting from the discontinuance of service, nor by reason of the breaking of any main, water pipe, fixture or appliance whether owned by the company or Customer, and no person shall be entitled to damages nor have any portion of a payment refunded for any interruption of service. The Company will exercise every care in this matter, and in the event of the necessity of turning off water, every reasonable effort will be made to notify the Customer.
- (d) The Company shall not be considered in any manner an insurer of property or persons, or to have undertaken to extinguish fire or to protect any persons or property against loss or damage by fire, or otherwise. The Company agrees to furnish such supply of water as shall then be available and not other or greater, and it shall be free and exempt from any and all claims for damages on account of any injury to property or persons by reason of fire, water, failure to supply water or pressure, or for any other cause whatsoever.

8.4 Meters

No person shall turn the water on or off at any street valve, Company stop, curb stop or other street connection, or at meter setting or meter vault, or disconnect, remove or bypass any meter without the consent of the Company. The Company has the right to prosecute for any damage resulting from any unauthorized tampering with Company property.

8.4 Electrical Ground

No electric wires shall be grounded on the mains of the Company or on any Company Service Lines or pipes or fixtures of any kind which have a metallic connection with the mains of the Company. The Company has the right to prosecute for any damage resulting violation of this Rule.

8.5 Limitations on Resale of Water

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Water furnished to any customer, except for a customer classified as a "Sales for Resale" customer, is for the customer's use only and such water shall not be resold by the customer to any other person, firm, or corporation on the customer's premises or for use on any other premise. This restriction, however, does not preclude a customer from allocating the Company's billing to the customer to any other person, firm, or corporation provided the sum of such allocations does not exceed the Company's billing.

9. CUSTOMER AND COMPANY SERVICE LINES

9.1 Company Service Lines

- (a) Subject to Rule 10 on Main extensions and subject to the terms of any applicable Main extension agreement, the Company will install a Company Service Line provided that it is required for the immediate and continuous supply of water in order to furnish general water service, and that the Premise to be served abuts a street, highway or right-of-way in which a Main is located.
- (b) The Customer shall install the Customer Service Line to a point approved by an authorized employee of the Company, after which the Company will have the Company Service Line installed from the Main to the Customer Service Line upon payment by the Customer of the tap fee. Where the Company Service Line is already installed, the Customer Service Line shall be connected to the Company Service Line at a point approved by an authorized employee of the Company.
- (c) The Company Service Line shall be sized, furnished, installed, owned and maintained only by the Company and shall remain under its sole control. Only the Company may make connections to its Mains. Nothing may be attached to the Company Service Line except a Customer Service Line. The connection to the Company Service Line must be made by an authorized employee or agent of the Company, or a licensed plumber.

9.2 Customer Service Lines

- (a) The Company will specify the location of the connection to the Customer Service Line. The Customer Service Line shall be installed, maintained, and/or owned by the Customer, at the Customer's expense and risk. The Customer Service Lines shall be installed in accordance with applicable plumbing requirements.
- (b) Each Premise shall be served by no more than one Customer Service Line unless otherwise approved by the Company. Customer Service Lines supplying the Premises shall not pass through or across any other Premises. No water pipes or plumbing in any Premises shall be extended from

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there to any other Premises.

When a Customer Service Line is relocated at the Customer's request, or when no associated relocation of the Company's Service Lines or other infrastructure is occurring, the Customer shall be responsible for the cost of such relocation. In instances where a Customer Service Line is required to be relocated due to roadway construction or other causes not within Company control, and the Company's Service Lines or other infrastructure is also being relocated, the Customer shall not be responsible for the cost of such relocation unless the Customer requests a specific location different than that specified by the Company.

A Customer's Service Line which is irregularly located because there was no Main abutting the Premises at the time such Customer Service Line was installed shall, at the Customer's expense, be relocated and connected to a new Company Service Line on the Main abutting the Premises when it becomes necessary for such Customer Service Line to be repaired or replaced.

- (c) A Customer, occupant, owner, or any agent thereof is not authorized to attach the Customer Service Line to Company property or shut the water line on or off. If a Customer, occupant, owner, or any agent thereof does so, and in making an attachment or in shutting off or turning on water does not properly replace the curb box cap or Meter lid, or damages the curb stop, curb box, copper setter, or other property of the Company, repairs shall be made only by the Company, but at the Customer's expense. If a Customer, occupant, owner, or any agent thereof takes any unauthorized action described therein, the Company shall not be liable for any personal and property damage caused to Customer's property.
- (d) The Customer Service Line and all connections and fixtures attached thereto shall be subject to the approval of the Company before water will be turned on. All Premises receiving a supply of water and all Company Service Lines and Meters and appurtenances, including any and all fixtures within the Premises, shall at all reasonable hours be subject to inspection by any duly authorized employee or agent of the Company.
- (e) Only an authorized agent of the Company may turn water on and off in the meter box. In case of emergencies, licensed plumbers may turn water on and off if a shut off valve is not available in the Premise and must notify Company within 24 hours of doing so.

10. WATER MAIN EXTENSIONS

10.1 General Main Extensions Rules

- (a) In estimating the cost of an extension, the estimate shall be based on the diameter of the pipe to be

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used, provided, however, the estimated cost to the Customer or Customers shall not be based on a pipe diameter in excess of eight (8) inches, unless actual consumption estimated for the proposed Customer or Customers requires a larger pipe.

- (b) No interest will be paid by the Company on the Applicant's payment or on any balances not refunded. At the expiration of said ten-year period, the refund account will be closed, and no further refunds will be made.
- (c) Extensions made under this Rule shall be and remain the property of the Company.
- (d) The Company reserves the right to further extend its water mains from and beyond the end of each Water Main Extension made under this Rule. The Applicant or the Applicant's agent paying for an extension shall not be entitled to any refund for the connecting of Customers to any further extension of mains installed.
- (e) In determining the length of main extensions to be installed, the main shall be extended to fully cover the frontage of the property, and if the last lot to be served is a corner lot or a lot immediately adjacent to a corner lot, the terminal point of the extension made hereunder shall be located so that the main laid hereunder ties in with the existing main located in the intersecting street; and further provided that if there is no main located in the intersecting street, the terminal point of the extension made hereunder shall be located at the nearest street line of the intersecting street or to the edge of subdivision property, including common area.

10.2 Main Extensions for Other than in New Subdivisions

- (a) For Free Extensions, the Company will, upon written request for Residential service by a prospective Residential Customer or a group of prospective Customers located in the same neighborhood, make free of charge an extension necessary to give service, when the estimated total revenue, for a period of three (3) years from the prospective Customer or Customers is approximately equal to the cost of the extension; provided that the prospects are that the patronage or demand will be of such permanency as to warrant the capital expenditure involved.
- (b) For Extension Above Limit, if the extension required in order to furnish general water service at any point within the corporate limits of the municipality or for any adjacent suburb of the municipality is greater than the cost of the free extension specified herein, such an extension will be made under the following conditions: the Company shall require a deposit of the cost of the extension above the free limit and will, in such case, for each additional Customer directly connected to the extension between its original beginning and original end within a period of ten

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- (10) years from the making of such extension, refund an amount equal to three times the estimated annual revenue of the new Customer, but at no time shall the aggregate refund made to any Customer exceed the original deposit of such Customer.
- (c) The free extension or refund amount shall not be reduced below that applicable to fifty (50) feet of main per Customer. A prospective Customer is one who will connect to such main extension within the refund period after the date the water is turned on in the main; provided further, that there is delivered to the Company a written guarantee by a financially responsible person or firm that such prospective Customer will take water service within the aforementioned refund period.

10.3 Main Extensions for New Subdivision

(a) Definitions

- i. The term “new subdivision” as used herein shall mean any new subdivision of residential and/or commercial lots for which a preliminary or final plat has been approved by the local planning and zoning authority, and in which the owner thereof has the right, under the rules of said Authority, to construct streets, sidewalks, curbs and other improvements.
- ii. The term “lot” as used herein shall mean any plot of ground laid out for building purposes, the front footage of which does not exceed one hundred feet. Should the frontage of any plot exceed one hundred feet, it shall, for the purposes of this Rule be considered as a single lot, if the average footage of all lots in the subdivision does not exceed one hundred feet. If the average frontage of all lots in the subdivision does exceed one hundred feet, the total number of lots in the subdivision shall be determined by dividing the total frontage of all the lots in the subdivision by one hundred feet.
- iii. The term “on site facilities” as used herein shall include only those water mains and related facilities, if any, to be installed by Company and located within the boundaries of the new subdivision or part thereof as said boundaries are depicted on the preliminary (or final, if applicable) plat of such subdivision or part thereof approved by the local planning and zoning authority.
- iv. The term “off-site facilities” as used herein shall include all water mains and related facilities, if any, to be installed by Company and located outside of the boundaries of said new subdivision as said boundaries are depicted on

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the preliminary (or final, if applicable) plat of said subdivision as approved by the local planning and zoning authority, in order to deliver an adequate supply of water from existing mains of Company to such new subdivision.

- v. The term “current estimated cost” as used herein shall mean that sum determined by Company as the estimated cost of installing one foot of water main, together with that sum determined by Company as the estimated cost of installing each type of appurtenant related facility. During the first quarter of each year, Company will determine from its records its actual average cost per foot, during the preceding calendar year, of construction and installation of all sizes and grades of water mains for which the construction projects have been completed during such calendar year, together with its average cost during such calendar year of installing each type and size of related facility for which construction has been completed during such year. Such average cost per foot and such average cost per appurtenant facility shall be deemed to be the “current estimated cost” for such mains and facilities during the twelve month period immediately following such determinations, it being contemplated that the current estimated cost will be revised annually in order to keep same as current as practicable.
- (b) Before water lines will be laid hereunder in any new subdivision, it is understood and agreed that the road surface shall be brought to the established sub-grade; and the developer or builder of such new subdivision shall furnish the Company with a right-of-way agreement suitable in form to the Company, unless the streets of the new subdivision have been dedicated to the public use.
- (c) When an extension of Company’s water distribution system into any new subdivision or part thereof as defined herein is requested by the owner of such subdivision, such extension will be made under the terms of a “New Subdivision Extension Deposit Agreement for Off Site Facilities” as hereinafter set forth in the Appendix, and/or a “New Subdivision Extension Deposit Agreement for On Site Facilities” as hereinafter set forth in the Appendix, which Agreements shall be entered into upon the following basis:
- i. Company shall have the exclusive right to determine the type, location and size of mains to be installed and of the related facilities required to render adequate service.
 - ii. The owner of the new subdivision may elect to develop it in sections or units and to have main extensions made into such sections or units from time to time as the same are ready for development and may elect further to have

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the entire subdivision considered as a whole for the purpose of making deposits and receiving refunds for off-site facilities under Company Rule No. 10. In such event, owners shall furnish Company with preliminary or final plats of the unit or units thereof to be initially developed, such plats to be approved as hereinafter provided, such plats to be so furnished prior to the making of any extensions into said new Subdivision. As subsequent units of said subdivision are thereafter developed, preliminary or final plats so approved thereof shall be furnished to Company as hereinafter provided. Upon delivery to Company by the owner of such subdivision of four (4) copies of a preliminary or final plat of the subdivision or units thereof, duly approved by the Local planning and zoning authority, which plats shall depict the location and grade of all streets, sidewalks, building plots, building lines and utility easements contained therein, together with evidence of the owner's authority to construct streets, sidewalks, curbs and other improvements thereon, Company shall prepare appropriate plans and specifications for the installation of necessary mains and related facilities to render adequate service therein, including where applicable, such off site facilities as deemed necessary and upon delivery to Company by the owner of such subdivision, any other information requested by the Company.

- iii. Separate Extension Deposit Agreements, in the form provided in the Appendix, shall be entered into by the owner of the subdivision and Company for off-site facilities and for each separate unit in which on site facilities are requested, provided, moreover, that the ten (10) year refund period applicable in such agreements shall apply separately to each such transaction.
- iv. When plans and specifications for installation of such mains and related facilities are completed, Company shall determine the presumed cost of construction and installation of such mains and related facilities which presumed cost shall be the aggregate of (1) the total number of feet of each size and grade of main required in such construction multiplied, respectively by Company's current estimated cost for each such size and grade of main, and (2) the total cost of installation of all related facilities required in such construction as determined by Company's current estimated cost for each of such facilities. In absence of actual cost data upon which to prepare a current estimated cost for any particular required related facility or size and grade of main, the presumed cost thereto shall be the best estimate of Company with respect to the cost of such mains or related facilities based on available information with respect to same. In

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ISSUED BY: /s/ Nick O. Rowe

Nick O. Rowe

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Approved:

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making such determinations of presumed cost of construction, Company shall separately compute the cost of installation and construction of on-site mains and facilities required and the cost of off-site mains and facilities required.

- v. When such determination of presumed cost of on-site mains and facilities and presumed cost of off-site mains and facilities required has been completed, the sums to be deposited by the owner of such subdivision with Company under the terms of the “New Subdivision Extension Deposit Agreement for On Site Facilities” and the “New Subdivision Extension Deposit Agreement for Off Site Facilities” if applicable, shall be determined by Company and shall be (1) the total presumed cost of all on site mains and related facilities of the new subdivision or any part thereof to be constructed as determined as herein provided, and (2) (a) the presumed cost of ten (10) feet of off-site mains and facilities multiplied by the total number of building plots shown on and included within the whole of said new subdivision or (2) (b) the presumed cost of all required off site facilities, whichever be the smaller sum. The presumed cost per foot of off-site mains and facilities as used in this computation shall be determined by dividing the total presumed cost of all off site mains and related facilities by the total footage of such off site mains. In the event it is necessary to construct off site mains for a distance in feet greater than ten (10) times the number of building plots included within the whole of said subdivision as depicted on the initial submitted plat thereof, such excess off site extension will not be made under the “New Subdivision Extension Deposit Agreement for Off Site Facilities”, but shall be made under an Extension Deposit Agreement as provided in the Appendix of these Rules.
- vi. For each Premises served for which a street service connection shall be directly attached to such main extension between its original beginning or original terminus, excluding connections to further extensions or branches thereof, and crediting no more than one such service connection per building plot, Company shall refund to the owner of such subdivision under terms and provisions of New Subdivision Extension Deposit Agreements separately executed each for on-site and off-site improvements, amounts determined as follows:
- a. For on-site facilities, the quotient obtained by dividing the total presumed cost of all on site mains and related facilities, determined as provided in Section (c) vi above for that part of the new subdivision then to be developed, by the total number of lots,

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determined as provided in Section (a) ii herein, which will be served by the on-site facilities then to be developed and as shown

on the preliminary or final plat of the part of the subdivision to be developed.

- b. For off-site facilities, the quotient obtained by dividing the deposit for off-site facilities, determined as provided in Section (c) iv above, by the total number of building plots shown on and included within the whole of said subdivision and shown on the preliminary or final plat of the whole subdivision delivered to Company as provided in Section (c) ii above.
- vii. The owner of such subdivision, in consideration of an accelerated development of said subdivision to be obtained through Company's proceeding, on the basis of a preliminary plat, with its plans and specifications, and, at Company's option, with construction of its mains and facilities, shall, as a part of the New Subdivision Extension Deposit Agreements for both Off Site and On Site Facilities, warrant to Company that the location and grade of streets, curbs, sidewalks, building plots, building lines and utility easements as depicted on said preliminary plat will not be altered or changed in any respect in the final plat of said subdivision or part thereof, as finally approved by the local planning and zoning authority and recorded in the Office of the County Clerk. In the event the location or grade of streets, sidewalks, curbs, building plots, building lines or utility easements be altered, amended or changed in the final plat or in an amended plat of said subdivision or part thereof as approved by said Authority or as recorded in the office of said Clerk, whether such changes are made with or without the consent of said subdivider, and in the event such alteration, amendment or change requires, in the sole judgment of Company, the relocation, removal, replacement, reconstruction, change in site or additions to the mains and related facilities, the subdivider shall indemnify and hold harmless Company of and from any and all damages and costs of such removal, replacement, relocation, reconstruction and any all other expenses or costs relating to Company because of the change of location or grade of streets, curbs, sidewalks, lots, building lines or utility easements in said subdivision or part thereof.

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- (d) Company shall, upon written request of any owner of a new subdivision, with who a contract has been entered into under these Rules, made within thirty (30) days after effective date of these Rules, re-execute such agreements under terms of these Rules.

11. PUBLIC AND PRIVATE FIRE SERVICE

11.1 Application for Private Fire Service

- (a) The extent of the rights of the Customer for private fire service is to receive, but only at times of fire at the Premises served by the private fire service, such supply of water as shall then be available. The Company shall not be considered in any manner an insurer of property or persons, or to have undertaken to extinguish fires, or to protect any persons or property against loss or damage by fire, or otherwise, and it shall be free and exempt from any and all claims for damages on account of any injury to property or persons by reason of fire, water failure to supply water or pressure, or for any other cause whatsoever.
- (b) The applicant or its agent shall complete an "Application for Special Connection," which is available at the Company's offices. Service connections for water to be taken for the extinguishment of fire shall be made only upon the terms as provided for in the "Application for Special Connection," and then only after such application has been submitted by the Customer and approved in writing by the Company and the applicable Fire Department.
- (c) A gate valve with post indicator controlling the entire supply shall be placed at the curb or property line of the street in which the main is located or at such other point as may be approved by the Company, and said valve and post indicator shall be furnished, installed and maintained by the Company at the expense of the Customer, and unless otherwise approved by the Company, said valve shall be installed which shall be furnished, installed and maintained by and at the expense of the Customer.
- (d) The Company will make the connection to its mains at the cost and expense of the Customer, and the service connection from the main to the post indicator valve as described in Section 11.1 (c) will be furnished, installed, owned and maintained by the Company and at the cost and expense of the Customer.
- (e) The entire private fire service system on the Customer's premises shall be installed by and at the expense of the Customer and shall be subject to the inspection, test and approval of the Company before the service is made effective, and at such time thereafter as may be deemed necessary by the Company.
- (f) A private fire service connection is furnished for the sole purpose of supplying water for the testing of the system and the extinguishment of fires, and the use of water from such a connection for any other purpose is absolutely forbidden.
- (g) Private fire protection service may at any time be furnished at the option of the Company through a line

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guarded by an approved fire line meter or detector device which shall be furnished and installed by the Company at the expense of the Customer. The meter shall be set in an approved vault or chamber, properly drained and protected, located at a point as near as possible to the curb line, and said vault or chamber shall be constructed and maintained by the Company at the expense of the Customer. The meter or detector device will be maintained by the Company, but at the expense of the Customer.

- (h) Hydrants and other fixtures connected with a private fire service connection may be sealed by the Company, and such seals shall be broken only in case of fire or as specially permitted by the Company, and the Customer must immediately notify the Company of the breaking of any such seal.
- (i) No pipe or fixtures connected with a private fire service connection served by the Company shall be connected with pipes or fixtures supplied with water from any other source. An industry approved backflow prevention device reviewed by the Company must be installed on private fire service connections and such device must be tested annually thereafter.
- (j) The entire private fire service connection and all parts of it which are located outside of the property line of the Customer and any meter or other indicating or controlling device and all parts and appurtenances thereof no matter where located shall be accessible and available in a safe manner to the Company at all times.
- (k) The Company shall determine the size and location of any connections made to its mains for private fire service.
- (l) The Customer shall furnish an accurate sketch or drawing showing the pipes, valves, hydrants, connections and appurtenances on the premises of the Customer and connected with the mains of the Company and also an accurate sketch of any other water pipe system and fixtures that may exist on the premises.
- (m) Whenever a fire service system is to be tested under the regulations of the fire insurance underwriters, the Customer shall notify the Company of such proposed test, naming the day and hour when same is to be made, so that, if desired, the Company may have an inspector present during the test.
- (n) All applications for private fire protection shall be subject to the written approval of the applicable Fire Department. It is the Customer's responsibility to obtain this approval.
- (o) All subsequent owners of the property containing private fire service, assume all responsibilities under the original Application for Special Connection.

11.2 Terms and Conditions for New Private Fire Hydrant Service

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

-
- (a) Applicants and Customers subject to this tariff are also subject to Rule 11.1(a), (b), and (f), which are incorporated by reference as if set forth herein.
- (b) The entire cost for labor, materials and other expenses incurred in installing the private fire hydrant connection, consisting of tapping the main and installing the hydrant branch and hydrant at a convenient point between the curb and property line, will be paid by the Applicant and any work done by the Company in connection therewith will be at the expense and risk of the Applicant.
- (c) Advance payment of three years' private service rate in Service Classification No. 4 for each private fire hydrant by the applicant will be required at the time the contract is signed for private fire hydrant service.
- (d) Water used for extinguishing fires will not be charged. Prompt notice of hydrant use is to be given to the Company in order that the installation may be inspected.
- (e) Except for hydrants owned by private entities as set forth in their contract with the Company, title to the service connection and hydrant shall, upon completion of construction, become vested in the Company, which thereafter shall assume responsibility for maintenance. Regardless of ownership, all parts and appurtenances shall be accessible and available to the Company at all times.
- (f) No private fire hydrant will be installed at a location where the normal flow from the hydrant is less than 500 gallons per minute with a 20 pounds per square inch residual pressure in the main serving the hydrant.
- (g) After expiration of the initial three-year advance payment of the private service rate by the applicant, the applicant will continue to be responsible for charges for this service. The applicant may request the Company's consent to transfer responsibility for the private service rate to an entity in good standing in the state in which the entity was organized. Any such request must be approved by the applicant, the entity to which the responsibility is being transferred, and the Company in order to be effective.
- (h) Failure to pay the private service rate shall be sufficient cause for discontinuance of water service after reasonable notice by the Company.
- (i) The private service rate shall continue in effect until such time as a unit of government shall agree to pay public fire protection charges thereon.

11.3 Public Fire Hydrants

- (a) No person, except for the legitimate purpose of extinguishing fires or for other purposes herein provided, shall open any fire hydrant without the consent of the Company.
- (b) During freezing weather, the City or County shall notify the Company after it has opened any hydrant.

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- (c) Any expenses for repairs caused by the negligence of the employees of the municipality or by members of the fire department shall be paid for by the municipality.
- (d) The use of fire hydrants will be restricted to the taking of water for the extinguishing of fires, and water shall not be taken from any fire hydrant for construction purposes, sprinkling streets, flushing trenches, sewers or gutters or for any other use, unless specifically permitted by the Company for the particular time and occasion.
- (e) Inspections and tests of public fire hydrants will be made by the Company at convenient times and reasonable intervals.
- (f) Whenever a change in location, size or type of a fire hydrant is ordered, requested, or made necessary due to change in line or grade of any roadway, curb or walk, said change will be made by the Company at the expense of the municipality or other party ordering, requesting, or making necessary such change.
- (g) In the event that the City or County shall order in writing the installation of additional fire hydrants on existing mains having an internal diameter of six inches or larger, the Company will install such hydrants at its own cost and expense, provided that such mains are of adequate capacity to provide the required fire flows.
- (h) Where pipe line installations are required to carry out a written order of the City or County to install fire hydrants, or where existing mains, in the opinion of the Company, are inadequate to provide required fire flows to such hydrants, and the City or County orders in writing the installation of a water main of adequate size to provide such flows to the hydrant or hydrants so ordered, the Company will install such mains and hydrants at its own cost and expense, provided that the estimated cost of the extension does not exceed the estimated total revenue for a period of three (3) years from such hydrant or hydrants and from prospective Customers who will connect to such main within thirty (30) days after the date that water is turned into the main; and provided, further, that there is delivered to the Company a written guarantee by a financially responsible person or firm that such prospective Customers will take water service at their premises within thirty (30) days after the date that water is turned into the main. If the estimated cost of the proposed extension and hydrants required in order to furnish fire service exceeds three (3) times the Company's estimate of immediate annual revenue, such extensions will be made under the following conditions: the Company may require a deposit in the amount by which the cost of the extension, including the cost of hydrants which might be connected thereto, exceeds three (3) times the annual revenue estimated to be received from the hydrant and prospective Customers and will, in such case, for each additional Customer directly connected to the extension between its original beginning and original end with a period of ten (10) years from the making of such extension, refund an amount equal to three (3) times the estimated annual revenue of the new Customer, but at no time shall the aggregate refund made exceed the original deposit.

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

12. SERVICE CLASSIFICATIONS AND TARIFFS/RATES/FEEES

CLASSIFICATION OF SERVICE
SERVICE CLASSIFICATION NO. 1

Applicable

Applicable to the entire Service Territory of Kentucky-American Water Company unless otherwise noted.

Availability of Service

Available for Residential, Commercial, Industrial, Sales for Resale, Municipal and All Other Public Authority metered service.

Meter Rates

The following shall be the rates for consumption, in addition to the service charges provided for herein;

Customer Category	Rate Per 1,000 Gallons All consumption	Rate Per 100 Gallons All Consumption
Residential	\$5.7570	\$0.57570
Commercial	5.2066	0.52066
Industrial	4.3050	0.43050
Municipal & Other		
Public Authority	4.7960	0.47960
Sales for Resale	4.2360	0.42360

Service Charges

All metered general water service customers shall pay a service charge based on the size of meter installed. The service charge will not entitle the customer to any water.

Size of Meter	Residential Service Charge Per Month	All Classes Service Charge Per Month
5/8"	\$12.49 (D)	\$ 15.00 (I)
3/4"	18.74 (D)	22.40 (I)
1"	31.23 (D)	37.30 (I)
1-1/2"	62.45 (D)	74.70 (I)
2"	99.92 (D)	119.50 (I)
3"	187.35 (D)	224.00 (I)
4"	312.25 (D)	373.40 (I)
6"	624.50 (D)	746.70 (I)
8"	999.20 (D)	1,194.70 (I)

- (I) Indicates increase
- (D) Indicates deletion
- (T) Indicates change in text

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

Water Sold to Judy Water Association

	<u>Volume</u>	<u>Rate per each 1,000 gallons</u>
(T)	Up to 70,000 gallons per day	\$4.52
(T)	Over 70,000 gallons per day	\$4.62

(D) **CLASSIFICATION OF SERVICE**
(D) **SERVICE CLASSIFICATION NO. 1**

(D) **Applicable**
(D) Applicable to Kentucky-American Water Company customers in Eastern Rockcastle County.

(D) **Availability of Service**
(D) Available for Residential, Commercial, Industrial, Sales for Resale, Municipal and All Other
(D) Public Authority metered service.

(D) **Meter Rates and Service Charges**
(D) The following shall be the rates for consumption. The Minimum Bill, and each 1,000 gallons of
(D) consumption beyond the minimum bill shall be:

	<u>Meter Size</u>	<u>Minimum Bill</u>	<u>Volume included in Minimum Bill</u>	<u>Rate per 1,000 gallons over Minimum Bill</u>
(D)	5/8"	\$28.28	2,000	\$11.53
(D)	3 / 4"	\$28.28	2,000	11.53
(D)	1"	\$62.87	5,000	11.53
(D)	2"	\$178.17	15,000	11.53

(D) Indicates deletion
(T) Indicates text change

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

KENTUCKY-AMERICAN WATER COMPANY

**P.S.C. KY NO. 9
First Sheet No. 30.1**

(D) **CLASSIFICATION OF SERVICE**
(D) **SERVICE CLASSIFICATION NO. 1**

(D) **Applicable**
(D) Applicable to Kentucky-American Water Company customers in North Middletown.

(D) **Availability of Service**
(D) Available for Residential, Commercial, Industrial, Sales for Resale, Municipal and All Other Public
(D) Authority metered service.

(D) **Meter Rates and Service Charges**
(D) The following shall be the water rates for water consumption. The Minimum Bill, and each 1,000 gallons
(D) of consumption beyond the minimum bill shall be:

(D)	<u>Customer Class</u>	<u>Minimum Bill</u>	<u>Volume</u>	<u>Rate per each 1,000 gallons</u>
(D)	With Sanitary Service	\$28.79	0 - 2,000	\$0.00
(D)			2,001 -5,000	\$12.17
(D)			5,001 – 10,000	\$10.91
(D)			Over 10,000	\$9.32
(D)	Without Sanitary Service	\$33.84	0 – 2,000	\$0.00
(D)			2,001 -5,000	\$12.48
(D)			5,001 – 10,000	\$11.22
(D)			Over 10,000	\$9.64
(D)	Farm Customers		All	\$17.87
(D)	Water Sold to Judy		Up to 70,000 per	\$4.52
(D)	Water Association		day	\$4.62
(D)			Over 70,000 per day	

(D) Indicates deletion


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Executive Director



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CLASSIFICATION OF SERVICE
SERVICE CLASSIFICATION NO. 3**Applicable**

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

Availability of Service

Available for municipal or private fire connections used exclusively for fire protection purposes.

Rates

	<u>Size of Service</u>	<u>Rate Per</u> <u>Month</u>	<u>Rate Per</u> <u>Annum</u>
(I)	2" Diameter	\$ 8.76	\$ 105.12
(I)	4" Diameter	35.28	423.36
(I)	6" Diameter	79.37	952.44
(I)	8" Diameter	141.09	1,693.08
(I)	10" Diameter	220.51	2,646.12
(I)	12" Diameter	330.03	3,960.36
(I)	14" Diameter	317.98	3,815.76
(I)	16" Diameter	564.63	6,775.56

Special Provisions

No charge shall be made for water used in extinguishing accidental fires or for Underwriters' tests, and water shall not be drawn from a private fire service connection for any other purpose.

Fire service connections are furnished for the sole purpose of supplying water for the extinguishment of fires. If the Company has reason to believe water is being used for other purposes, including that the connection or line is leaking, the Company may install a meter to monitor usage, and, in addition to the rates for fire protection listed above, all usage shall be billed at the Commercial rate in Service Classification No. 1. The applicable Service Charge listed in Service Classification No. 1 shall also be charged.

The charges under this provision are in addition to any general water service charges.

(I) Indicates Increase
(T) Indicates text changeISSUED: November 28, 2018
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PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

TAPPING FEES**Applicable**

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

Availability of Service

Available for residential, commercial, industrial, other public authority and sales for resale customers.

Tapping (Connection) Fees**Size of Meter Connected**

(R)	5/8-Inch	\$1,223.00
(R)	1-Inch	2,174.00
(R)	2-Inch	4,002.00
	Service larger than 2"	Actual Cost

For services greater than 2", a cost-adjustable deposit is required upon application. The tapping fee will be required upon application for all services installed on or after the effective date of this tariff, except in cases where a complete application for service (including plumbing inspection) is on file with the Company prior to the effective date of this tariff.

(R) Indicates reduction/decrease

(T) Indicates text change

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CLASSIFICATION OF SERVICE
SERVICE CLASSIFICATION NO. 4**Applicable**

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

Availability of Service

Available for municipal or private fire connections used exclusively for fire protection purposes.

Rates for Public Fire Service

	<u>Rate Per Month</u>	<u>Rate per Annum</u>
(I) For each public fire hydrant contracted for or ordered by Urban County, County, State or Federal Governmental Agencies or Institutions.	\$48.70	\$584.40

Rates for Private Service

(I) For each private fire hydrant contracted for by Industries or Private Institutions.	\$76.57	\$918.84
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Fire service connections are furnished for the sole purpose of supplying water for the extinguishment of fires. If the Company has reason to believe water is being used for other purposes, including that the connection or line is leaking, the Company may install a meter to monitor usage, and, in addition, to the rates for fire protection listed above, all usage shall be billed at the Commercial rate in Service Classification No. 1. The applicable Service Charge listed In Service Classification No. 1 shall also be charged.

The charges under this provision are in addition to any general water service charges.

Special Provisions

A few hydrants are connected to mains by a "special connection." A "special connection" exists when a customer and the Company entered into a service contract in which the customer agreed to maintain an unmetered water line from a Company main to the customer's service line. If the Company has reason to believe water from a special connection is being used for purposes other than fire protection, including that the connection or line is leaking, the Company may install a meter and charge for usage under this tariff. The Company may require the customer to pay for the meter and its installation if:

- (1) the Company gives the customer written notice of the usage problem, requests that the customer correct the problem, and informs the customer that failure to correct the problem within 90 days could result in liability of the customer for the cost of installing a meter to monitor usage,

- (I) Indicates Increase
(T) Indicates change in text

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

Gwen R. Pinson

EFFECTIVE

6/28/2019

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

CONFIDENTIAL INFORMATION REDACTED
KENTUCKY-AMERICAN WATER COMPANY

- (2) the customer does not substantially correct the problem within 90 days of the written notice, and,
(3) the Company thereafter gives three business days' notice, which shall include a cost estimate, that it will install the meter at the customer's expense.

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)

CLASSIFICATION OF SERVICE
SERVICE CLASSIFICATION NO. 5**Applicable**

Applicable to the entire Service Territory of Kentucky-American Water Company.

Availability of Service

Available for Water Used for Construction, Street Washing, Pool Filling, and Similar Purposes.

Rates

Where a meter is installed on a fire hydrant or on a temporary service connection for construction, street washing, pool filling, and similar purposes, the minimum payment for water shall be the monthly service charge for general water service, payable in advance based upon the size of the meter installed.

If more than one fire hydrant or temporary service connection is used, the service charge is to apply to each such hydrant or temporary service connection so used.

The Company may require an application to be signed and either the service charge paid in advance or, at the option of the Company, a meter deposit made, and the account handled in the same manner as any other metered account. This service charge will not entitle the Customer to any water and all water used shall be billed at the meter rate schedule. In addition to such charges the Customer shall pay all reasonable costs incurred in connection with the installation and removal of the meter.

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)

CLASSIFICATION OF SERVICE
SERVICE CLASSIFICATION NO. 6
BILLING OF LICENSE, OCCUPATION, FRANCHISE OR OTHER SIMILAR CHARGES OR TAXES
INCLUDING SCHOOL TAX

Applicable

Applicable to all customers in the Service Territory of Kentucky-American Water Company.

Availability of Service

Available for Residential, Commercial, Industrial, Other Public Authority and Sales for Resale customers.

Rates

There shall be added to the Customer's bill, as a separate item, an amount equal to the proportionate part of any license, occupation, franchise, fee or other similar fee, charge or tax now or hereafter imposed upon the Company by local taxing authorities or the Kentucky River Authority, whether imposed by ordinance, franchise, statute or otherwise, and which fee, tax or charge is based upon Kentucky River water usage or a percentage of the gross receipts, net receipts, or revenues from sales of water or services rendered by the Company to the customer. Where more than one such charge, fee or tax is imposed, the total of such charges, fees or taxes applicable to a Customer may be billed to the customer as a single amount. Charges, fees or taxes herein referred to shall in all instances be billed to customers on the basis of Company rates or usage effective at the time of billing, and on the basis of the tax rate of usage effective at the time billing is made.

There shall be added to the Customer's bill, as a separate item, an amount equal to the proportionate amount of school tax in any county requiring a utility gross receipts license tax for schools under KRS 160.613.

There shall also be added to the Customer's bill, as a separate item, any fee, tax or charge imposed upon the customer by a municipality or governmental agency, the purpose of which is to allocate among those customers identified by ordinance, franchise, statute, or otherwise, the cost of fire hydrants imposed upon the municipality or governmental agency. Failure to pay this charge shall not constitute grounds for termination of service.

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

Gwen R. Pinson

EFFECTIVE

6/28/2019

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

CLASSIFICATION OF SERVICE
SERVICE CLASSIFICATION NO. 6

Applicable

Applicable to the entire Service Territory of Kentucky-American Water Company supplied water from the Kentucky River.

Availability of Service

Available for Residential, Commercial, Industrial, Other Public Authority and Sales for Resale customers.

Rates

Kentucky-American Water Company in accordance with the tariff shown in First Sheet No. 36 shall charge (R) a rate of \$0.0265 per 100 gallons.

Except for rate changes imposed by the Kentucky River Authority, which will be put in effect immediately upon notification of such change by the Kentucky River Authority, this fee will be adjusted annually beginning January, 2002 to reflect any over or under collection of Kentucky River Authority fees existing at the time of the adjustment

(R) signifies a reduction

ISSUED: March 1, 2023
EFFECTIVE: March 31, 2023

ISSUED BY: /s/ Kathryn Nash
Kathryn Nash
President
2300 Richmond Road, Lexington, KY 40502

KENTUCKY PUBLIC SERVICE COMMISSION
Approved: Linda C. Bridwell Executive Director

EFFECTIVE 3/31/2023 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

RECONNECTION CHARGE**Applicable**

Applicable to the entire Service Territory of Kentucky-American Water Company.

Availability of Service

Available for all customers

When it is necessary to discontinue water service to any premises because of a violation of the Company's Rules and Regulations on account of nonpayments of any bill for water service, a charge of Fifty-six Dollars (\$56.00) will be made to cover the expense of turning on the water service.

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)

INSUFFICIENT FUNDS CHARGE

In those instances where a customer renders payment to the Company by check or electronic funds transfer which is not honored upon deposit by the Company, the customer will be charged (\$12.00) to cover the processing costs.

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)

INSPECTION OF SERVICE LINE**Applicable:**

Applicable to the entire service territory of Kentucky-American Water Company where neither the Kentucky Department of Housing, Building and Construction or local government conducts an inspection of service lines comparable to that required of water utilities by 807 KAR 5:066 Section 9(3).

Availability of Service:

Inspection of service lines is available to all customers of Kentucky-American Water Company where neither the Kentucky Department of Housing, Building and Construction or local government conducts an inspection of service lines comparable to that required of water utilities by 807 KAR 5:066 Section 9(3). The customer shall leave the trench open and the service line uncovered. The service line must be determined to be free from any tee, branch connection, irregularity or defect before service will be initiated.

Rate:

The customer shall be charged \$25.00 for each inspection of a service line.

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)

**NEW ACCOUNT SET UP
ACTIVATION FEE****Applicable**

Applicable to all customers who request a new account or a change in ownership of an existing account.

Availability of Service

Available for all customers.

Rate

An activation fee of Twenty-eight (\$28.00) Dollars shall be charged to set up a new account or change an existing account. The activation fee covers the cost of meter reading and record change.

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)

LATE PAYMENT FEE**Applicable**

Applicable to the entire Service Territory of Kentucky-American Water Company.

Availability of Service

Available for all customers.

Rates

Kentucky American Water Company shall charge a 5% late fee on all charges that are paid after the due date on the bill. The late payment fee is 5% calculated upon all amounts owed with the exception of any amounts Kentucky-American Water Company collects pursuant to a third-party billing services contract, or on previously assessed late payment fees or other penalty charges. The late payment charge will only be assessed once on any bill for rendered services. Customers who receive a pledge for or notice of low income water assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received.

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)

BULK SALES OF WATER THROUGH LOADING STATIONS**Availability of Service**

This service is available at locations deemed appropriate by Kentucky-American Water Company.

Rate

The following rates and charges are prescribed for the customers in the area served by Kentucky-American Water Company.

Bulk Sales Rate

\$.1674 per 50 gallons

Terms and Conditions of Service

Service taken under this tariff must be prepaid by the customer.

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)

SERVICE CLASSIFICATION NO. 6
HIDDEN LEAK ADJUSTMENT RATE

Applicable

Applicable to entire Service Territory of Kentucky-American Water Company.

Availability of Service

Available for Residential and Commercial customers.

Rates

A charge of twenty-five (25) percent of the applicable tariff will be applied to all water usage determined to be the result of a hidden underground leak.

Terms and Conditions

A hidden underground leak is defined as a leak in the customer service line between the meter and the premises. Hidden underground leak adjustments will be granted to residential and commercial customers. The customer must provide a plumber's statement or list of materials showing that the leak has been repaired. After verification of repairs by the Water Company, the bill will be adjusted by comparing the usage during the leak billing period to the average usage for the past six billing periods. A reasonable estimate will be used in cases when six prior periods of information do not exist. The excess usage will be billed at the rate specified above. During the lifetime of a water service line only two leak adjustments will be permitted. Each adjustment may cover a maximum of two billing periods. Before a third adjustment can be considered, the entire water service line from the meter box to the premises must be replaced. Plastic pipe for repair of underground water service lines must be certified to withstand a working pressure of 160 pounds per square inch or greater.

ISSUED: November 28, 2018
EFFECTIVE: June 28, 2019

Approved:

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

KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director 
EFFECTIVE 6/28/2019 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)



WE KEEP LIFE FLOWING™

Service Address:
JOHN Q CUSTOMER
1234 ANYWHERE ST UNIT 1234
CITY, ST ZIP CODE



Important Account Messages

• Looking for an easy way to manage your account and service needs? Try our redesigned customer portal at www.amwater.com/MyAccount. Find out how much you owe, start or stop service and pay your bill electronically without a convenience fee. And you can access anytime ... 24x7, all day, every day!

For more information, visit www.kentuckyamwater.com

Monthly Statement

Account No. 1012-210001234567

Total Amount Due:	\$37.80
Payment Due By:	May 29, 2018

Billing Date: May 11, 2018
Service Period: Apr 11 to May 10
Total Gallons: 3,740

Account Summary – See page 3 for Account Detail

Prior Billing:	\$42.67
Payments - Thank You!	- \$42.67
Balance Forward:	= \$0.00
Service Related Charges:	+ \$35.66
Taxes:	+ \$2.14
Total Amount Due:	= \$37.80

View your account information or pay your bill anytime at: amwater.com/MyAccount

Pay by Phone*: Pay anytime at 1-855-748-6066
*A convenience fee may apply

Customer Service: 1-800-678-6301
M-F 7:00am to 7:00pm – Emergencies 24/7

▼ Please return bottom portion with your payment. DO NOT send cash. Retain upper portion for your records. ▼

TRAI-S-00801000002 PC0180 ETM1001 1 34 8 A



Service to: 1234 ANYWHERE ST
CITY, ST ZIP CODE

PO Box 790247
St Louis, MO 63179-0247

8001 1 AB 0.301 00001008001/000002 0047 2 PC0180
JOHN Q CUSTOMER
1234 ANYWHERE ST
UNIT 1234
CITY ST 00000-0000



Account No. 1012-210001234567

Total Amount Due:	\$37.80
Payment Due By:	May 29, 2018

If paying after 5/29/18, pay this amount: \$39.69

Amount Enclosed \$

KENTUCKY AMERICAN WATER
PO BOX 790247
ST LOUIS, MO 63179-0247

0001012210001234 5670000000000003780013

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)

Messages from Kentucky American Water

- ***IMPORTANT WATER QUALITY MESSAGE: 2017 Kentucky American Water annual water quality report is available. This report contains important information about your drinking water. Please go to www.amwater.com/ocr/lexington.pdf, www.amwater.com/ocr/owenton.pdf or www.amwater.com/ocr/fordhampton.pdf to view your 2017 annual water quality report or to request a paper copy call 800-678-6301.
- If you would like a copy of our tariff please visit www.kentuckyamwater.com, call 1-800-678-6301, or visit our customer lobby at 2300 Richmond Road in Lexington anytime between 8 a.m. and 4:30 p.m., Monday through Friday.
- Local Office: 2300 Richmond Road (Lexington).

WATER SAVING TIP

Fix household leaks and **save up to 20 gallons of water a day.**

CUSTOMER SERVICE
1-800-678-6301
HOURS: M-F, 7am-7pm • Emergencies: 24/7
TTY/TDD FOR THE HEARING IMPAIRED:
711 (and then reference Customer Service number listed above)

SERVICES

- **Go Paperless:** Save time. Save money. Sign up for Paperless Billing and Auto Pay on My Account at amwater.com/myaccount. Not registered? Log in and be sure to have your account number handy.
- **Water Quality:** We take water quality seriously. When it comes to complying with federal drinking water standards, we consistently score better than the industry average. For a copy of the annual water quality report for your area, visit kentuckyamwater.com. Under Water Quality, select Water Quality Reports.
- **H2O Help To Others:** This program helps low-income customers who qualify with their water bills. For more information, visit kentuckyamwater.com. Under Customer Service & Billing, select Low Income Program.

EXPLANATION OF OTHER TERMS

- **Payment by Check:** Paying by check authorizes American Water to send the information from your check electronically to your bank for payment. The transaction will appear on your bank statement. The physical check will not be presented to your financial institution or returned to you.
- **Estimated Bill:** This occurs when we are unable to read the water meter. Your usage from the same billing period the prior year is used to calculate the estimated bill. The next actual meter reading corrects any over or under estimates.
- **Disputes:** If you have questions or complaints about your bill, please call us at 1-800-678-6301 before the due date. If your bill is unusually high, it may indicate that there is a leak in your plumbing. For tips on how to detect leaks and use water wisely, visit us online. You'll find helpful tools under the Water information menu. Every drop counts!
- **Rates:** A detailed listing of charges that make up your bill is available upon request by contacting Customer Service or visiting us online at kentuckyamwater.com. Under Customer Service & Billing, select Your Water Rates.
- **Correspondence:** Please send written correspondence to PO Box 578, Afton, IL 62002-0578. Be sure to include your name, account number, service address, mailing address and phone number including area code. Please do not send correspondence with your payment, as it may delay processing your payment and correspondence.

H2O HELP TO OTHERS PROGRAM - lend a hand to customers in need

I'm adding a one time contribution of \$_____ with my payment.

I'd like to add a recurring contribution to each bill of \$_____. I understand this amount will be added to each bill.

Address Change(s) _____

Name _____

Address _____

City _____

State _____ Zip Code _____

() _____ Mobile Number

Phone Number _____

E-mail Address _____

Other ways to pay your bill

- Auto Pay**
Save time and money. Enroll in Auto Pay, and your bill will be paid on time, every time, directly from your bank account on the due date. No stamps required!
- Online**
With My Account, you can pay your bill anytime, anywhere. Registration is fast and easy. Visit amwater.com/MyAccount or pay without registration at www.amwater.com/billpay (fee may apply)
- In Person**
We have agreements with several authorized payment locations in our service area. Visit our website to find one near you.



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)



Meter Reading and Usage Summary

Meter No.	Meter Type	Size	From Date	To Date	Previous Read	Current Read	Meter Units*	Billing Units**	Water Used in Gallons
079745075N	Regular	5/8"	04/11/2018	05/10/2018	963 (A)	968 (A)	5	37.40	3,740

A = Actual E = Estimate

*1 Meter unit = 100 cubic feet or 748 gallons of water

**1 Billing Unit = 100 gallons of water

Billed Usage History (graph shown in 100 gallons)

- 3,740 gallons = usage for this period
- 3,740 gallons = usage for same period last year



Next Scheduled Read Date: on or about Jun 12, 2018
 Account Type: Residential

Average daily use for this period is:



Account Detail

Service To: 1234 ANYWHERE ST, CITY ST ZIP CODE

Prior Billing	42.67
Balance from last bill	42.67
Payments	-42.67
Payments as of Apr 24. Thank you!	-42.67
Balance Forward	0.00
Service Related Charges - 04/11/18 to 05/10/18	
Water Service	35.00
Water Service Charge	12.49
Water Usage Charge (37.40 x \$0.6019)	22.51
Other Charges	0.66
KRA Withdrawal Fee (37.40 x \$0.0177)	0.66
Total Service Related Charges	35.66
Taxes	2.14
Franchise Taxes (\$35.66 x 3.000%)	1.07
School District Tax (\$35.66 x 3.000%)	1.07
Total Current Period Charges	37.80

Total Amount Due ➡ **\$37.80**

Understanding Your Bill

The information below defines some of the new terms you may find on your bill:

- **Service Related Charges:** This section includes charges for services related to water, wastewater and fire protection.
- **Fees and Adjustments:** This section provides details related to additional charges or adjustments for the service period referenced. Fees, when applicable, would include items such as service activation and late payment charges. Additionally, any credit or debits related to billing corrections would be found in this section.
- **Pass Through Charges:** Charges in this section, when applicable, are separated from other service related charges to provide visibility into what portion of your bill is being remitted to other entities. Payment received for these charges does not remain with American Water. While we may bill and collect for them, the payments received are passed along to other companies and agencies.
- **Billing Units:** One billing unit equals 100 gallons of water used. If the meter serving your property measures your water use in cubic feet or a different unit of measure, we convert the usage to gallons to make it easier to understand.
- **Average Daily Use:** The gallons shown in the water droplet above represent your average daily water use for the current billing period. Tracking the amount of water you use can help you manage your overall water use from month to month.
- **Still have questions?** We are here to help. Our customer service representatives are available M-F, 7 a.m. to 7 p.m. More information on understanding your bill and charges can also be found on our website. See the link below.

For more information about your charges and rates, please visit: <https://amwater.com/kyaw/customer-service-billing/your-water-and-wastewater-rates>.

TR15-S-008001000002 PC0180 ETM1C001 1 34 6 A

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)

QUALIFIED INFRASTRUCTURE PROGRAM RIDER (“QIP RIDER”)

APPLICABLE SERVICE AREA

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

APPLICABILITY OF RIDER

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

CALCULATION OF QUALIFIED INFRASTRUCTURE PROGRAM RIDER REVENUE REQUIREMENT

(N) The QIP rate base in any forecasted period will be calculated in a manner consistent with 807
(N) KAR 5:001, Section 16(6)(c). The QIP Rider Revenue Requirement includes the following:

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

QIP ELIGIBLE UTILITY PLANT:

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

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

(N) signifies new rate or requirement.

ISSUED: July 1, 2021
EFFECTIVE: July 1, 2021

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. 2021-00090 dated June 21, 2021

KENTUCKY
PUBLIC SERVICE COMMISSION

Linda C. Bridwell
 Executive Director



EFFECTIVE
7/1/2021
 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:

(R) 4.49%

(R) signifies reduction

ISSUED: March 16, 2022
EFFECTIVE: March 2, 2023
ISSUED BY: /s/ Kathryn Nash
Kathryn Nash
President
2300 Richmond Road, Lexington, KY 40502

*Issued by authority of an Order of the Public Service Commission
in Case No. 2022-00328 Dated March 2, 2023*

KENTUCKY
PUBLIC SERVICE COMMISSION
Linda C. Bridwell
Executive Director

EFFECTIVE
3/2/2023
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

APPENDIX**Form of New Subdivision Extension Deposit Agreement for Off Site Facilities:**

THIS AGREEMENT, entered into this ___ day of _____, ____ by and between KENTUCKY AMERICAN WATER, a Kentucky corporation, having its office at 2300 Richmond Road, Lexington, Kentucky, hereinafter called "COMPANY", and _____, hereinafter called "SUBDIVIDER",

WITNESSETH:

THAT, WHEREAS, SUBDIVIDER is the present owner of a certain tract of land located within the service area of COMPANY, which tract is now being developed by SUBDIVIDER as a new subdivision or unit thereof (hereinafter called the subdivision), and

WHEREAS, the _____ Commission has heretofore approved a preliminary or final plat of said proposed subdivision, upon which plat the location and grade of streets, curbs, sidewalks, building plots, building lines and utility easements are depicted, a copy of which plat is annexed hereto and made a part hereof, marked Exhibit "B" for identification, and

WHEREAS, SUBDIVIDER desires the extension of the off site water mains and facilities of COMPANY on the site of said subdivision as hereinafter described,

NOW, THEREFORE, in consideration of the premises and the mutual covenants of the parties hereto as hereinafter set forth, it is hereby agreed by and between the parties hereto as follows, to-wit:

FIRST: COMPANY contracts and agrees to lay the water main(s) and other related facilities, if any, as shown in red on the plat attached hereto and made a part hereof, marked Exhibit "B" for identification, which main(s) and facilities, if any, are described and located as follows:


SECOND: It is expressly understood and agreed that if COMPANY shall be delayed or prevented from installing the water main(s) and other related facilities, if any, hereinabove described because of its failure to secure pipe or other construction materials, or for any other causes beyond its control, such failure or delay in performance shall be excused; provided, however, if such failure or delay in performance shall extend for a period

ISSUED: November 28, 2018
EFFECTIVE: June 28, 2019

Approved:

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

KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director

EFFECTIVE 6/28/2019 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

CONFIDENTIAL INFORMATION REDACTED
KENTUCKY-AMERICAN WATER COMPANY

of more than ninety (90) days from date of deposit, SUBDIVIDER shall have the right to cancel and terminate this agreement on thirty (30) days' written notice to COMPANY, and thereafter both parties shall be relieved of all duties

and obligations arising hereunder. But this right to cancel and terminate by SUBDIVIDER shall not be invoked if COMPANY has received the construction material and SUBDIVIDER has made the deposit as hereinafter required, in which event COMPANY shall have the obligation to prosecute the work diligently to its completion.

THIRD: SUBDIVIDER hereby agrees to deposit with COMPANY, upon notice from COMPANY that it is prepared and able to go forward with the work provided in Paragraph FIRST hereof, the sum of _____, which sum is the presumed cost of installation of said off site main(s) and related facilities, if any, as determined under Section C(4) of Rule 10.3 of COMPANY'S Rules and Regulations. No adjustment in deposit will be made, either by way of adding to or reducing the deposit required hereunder, because of a variance between the presumed cost mentioned herein and the actual cost of installation of such main(s) and related facilities, if any.

FOURTH: SUBDIVIDER represents to and covenants with COMPANY that the number of residential and/or commercial building plots to be developed within the whole of said subdivision, as shown on the plat attached hereto as Exhibit "B", being a total of _____ building plots, will not be decreased in the final plats of said subdivision as the same are hereafter recorded in the office of the Clerk of the Fayette County Court. Upon such representation and covenant, COMPANY hereby agrees to refund to SUBDIVIDER during the period of ten (10) years from the actual date of deposit, an amount equal to _____ of the total deposit made by SUBDIVIDER under the terms of Paragraph THIRD above, being the sum of _____, for each premises served within said subdivision (as said subdivision is depicted on the plat attached hereto and marked Exhibit "B" for identification) for which a street service connection shall be directly attached to the mains constructed on the site of such subdivision between their original beginning and original termini (not including, however, connections to further extensions or branches thereof, and being limited to one such service connection per building plot) and for which a bona fide residential or commercial customer has executed a service contract with COMPANY, provided, however, that the total amount returned shall not exceed the original deposit, without interest, and that all or any part of the deposit not refunded within said ten (10) year period shall become the property of COMPANY.

ISSUED: November 28, 2018
EFFECTIVE: June 28, 2019

Approved:

ISSUED BY: /s/ Nick O. Rowe
 Nick O. Rowe
 President
 2300 Richmond Road, Lexington, KY 40502

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**KENTUCKY
 PUBLIC SERVICE COMMISSION**

Gwen R. Pinson
 Executive Director

Gwen R. Pinson

EFFECTIVE

6/28/2019

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

FIFTH: SUBDIVIDER may request refunds under Paragraph FOURTH, once in each calendar quarter, furnishing COMPANY, at such time, a listing of premises claimed to be additional premises; however, failure on the part of SUBDIVIDER to make such request shall not constitute a waiver of any rights hereunder or relieve COMPANY of the obligation to make refunds with reasonable promptness.

SIXTH: SUBDIVIDER will furnish to COMPANY immediately upon recordation thereof in the office of the _____ County Court five (5) copies of the final plat of said subdivision or units thereof as approved by the _____ Commission.

SEVENTH: The ownership of the water main(s) laid hereunder shall at all times be in COMPANY, its successors and assigns.

EIGHTH: This Agreement shall be valid and binding on COMPANY only when executed by its President.

NINTH: This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the respective parties.

TENTH: Any notice given hereunder shall be deemed sufficient if in writing and sent by registered mail to COMPANY at 2300 Richmond Road, Lexington, Kentucky and to SUBDIVIDER at _____.

ELEVENTH: This Agreement is entered into pursuant to the legally established Rules and Regulations of COMPANY and the words, phrases and terms hereof are to be understood and interpreted in conformity with said Rules and Regulations, which are hereby incorporated herein by reference.


Executed by the parties hereto in duplicate this the day and year first above written.

WITNESS: **KENTUCKY AMERICAN WATER**

ISSUED: November 28, 2018
EFFECTIVE: June 28, 2019

Approved:

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

KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director 
EFFECTIVE 6/28/2019 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

By: _____
(Director of Engineering)

(Date)

DEPOSITOR(S):

Phone #: _____

Fax #: _____

Email: _____

WITNESS:

By: _____
(Signature)

(Print or type name)

(Title/Position)

ISSUED: November 28, 2018


Approved:

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*

KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director 
EFFECTIVE 6/28/2019 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Form of New Subdivision Extension Deposit Agreement for On Site Facilities:

THIS AGREEMENT, entered into this _____ day of _____, 20____, by and between KENTUCKY AMERICAN WATER, a Kentucky corporation, having its office at 2300 Richmond Road, Lexington, Kentucky, hereinafter called "COMPANY" and _____, hereinafter called "SUBDIVIDER",

WITNESSETH:

THAT, WHEREAS, SUBDIVIDER is the present owner of a certain tract of land located within the service area of COMPANY, which tract is now being developed by SUBDIVIDER as a new subdivision or unit thereof (hereinafter called the subdivision), and

WHEREAS, the _____ has heretofore approved a preliminary or final plat of said proposed subdivision, upon which plat the location and grade of streets, curbs, sidewalks, building plots, building lines and utility easements are depicted, a copy of which plat is annexed hereto and made a part hereof, marked Exhibit 'A' for identification, and

WHEREAS, SUBDIVIDER desires the extension of the water mains and facilities of COMPANY on the site of said subdivision as hereinafter described,

NOW, THEREFORE, in consideration of the premises and the mutual covenants of the parties hereto as hereinafter set forth, it is hereby agreed by and between the parties hereto as follows, to-wit:

FIRST: COMPANY contracts and agrees to lay the water main(s) and other related facilities, if any, as shown in red on the plat attached hereto and made a part hereof, marked Exhibit 'A' for identification, which main(s) and facilities, if any, are described and located as follows:

ISSUED: November 28, 2018
EFFECTIVE: June 28, 2019

Approved:

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

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Gwen R. Pinson
Executive Director

Gwen R. Pinson

EFFECTIVE

6/28/2019

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

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KENTUCKY-AMERICAN WATER COMPANY

SECOND: It is expressly understood and agreed that if COMPANY shall be delayed or prevented from installing the water main(s) and other related facilities, if any, hereinabove described because of its failure to secure pipe or other construction materials, or for any other cause beyond its control, such failure or delay in performance shall be excused; provided, however, if such failure or delay in performance shall extend for a period of more than ninety (90) days from date of deposit, SUBDIVIDER shall have the right to cancel and terminate this agreement on thirty (30) days' written notice to COMPANY, and thereafter both parties shall be relieved of all duties and obligations arising hereunder. But this right to cancel and terminate by SUBDIVIDER shall not be invoked if COMPANY has received the construction material and SUBDIVIDER has made the deposit as hereinafter required, in which event COMPANY shall have the obligation to prosecute the work diligently to its completion.

THIRD: SUBDIVIDER hereby agrees to deposit with COMPANY, upon notice from COMPANY, that it is prepared and able to go forward with the work provided in Paragraph FIRST hereof, the sum of _____, which sum is the presumed cost of installation of said on-site mains and related facilities, if any, as determined under Section C(4) of Rule 10.3 of COMPANY'S Rules and Regulations. No adjustment in deposit will be made, either by way of adding to or reducing the deposit required hereunder, because of a variance between the presumed cost mentioned herein and the actual cost of installation of such main(s) and related facilities, if any.

FOURTH: SUBDIVIDER represents to and covenants with COMPANY that the number of residential and/or commercial building plots to be developed within said subdivision, as shown on the plat attached hereto as Exhibit "A", being a total of _____ building plots which, according to Section A(2) of Rule 10.3 of COMPANY's Rules and Regulations, is equal to _____ lots, will not be decreased in the final plat of said subdivision as the same is hereafter recorded in the office of the Clerk of the Fayette County Court. Upon such representation and covenant, COMPANY hereby agrees to refund to SUBDIVIDER, during the period of ten (10) years from the actual date of deposit, an amount equal to _____ of the total deposit made by SUBDIVIDER under the terms of Paragraph THIRD above, being the sum _____, for each premises served within said subdivision (as said subdivision is depicted on Exhibit "A" attached hereto) for which a street service connection shall be directly attached to the main extension herein provided between its original beginning and original terminus (not including, however, connections to further extensions or branches thereof, and being limited to one such service connection per building plot) and for which a bona fide residential or commercial customer has executed a service contract with COMPANY, provided, however, that the total amount returned shall not exceed the original deposit, without interest, and that all or any part of the deposit not refunded within said ten (10) year period shall become the property of COMPANY.

ISSUED: November 28, 2018
EFFECTIVE: June 28, 2019

Approved:

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

**KENTUCKY
PUBLIC SERVICE COMMISSION**
Gwen R. Pinson
Executive Director
Gwen R. Pinson
**EFFECTIVE
6/28/2019**
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

CONFIDENTIAL INFORMATION REDACTED
KENTUCKY-AMERICAN WATER COMPANY

FIFTH: SUBDIVIDER may request refunds under Paragraph FOURTH, once in each calendar quarter, furnishing COMPANY, at such time, a listing of premises claimed to be additional premises; however, failure on the part of SUBDIVIDER to make such request shall not constitute a waiver of any rights hereunder or relieve COMPANY of the obligation to make refunds with reasonable promptness.

SIXTH: As a material consideration for COMPANY'S agreement to design and construct all or some portion of the main(s) and related facilities, if any, described on Exhibit "A" and in Paragraph FIRST hereof on the basis of a preliminary plat of said subdivision, without withholding or delaying such action until a final plat thereof has been approved by the Planning and Zoning Commission and recorded in the office of the Clerk of the Fayette County Court, SUBDIVIDER represents to COMPANY and covenants with COMPANY that the location and grade of streets, sidewalks, curbs, building plots, building lines and utility easements as depicted on the preliminary plat attached hereto as Exhibit "A" will not be altered or changed in any respect in the final plat of said subdivision, as

finally approved by the Lexington-Fayette County Planning and Zoning Commission and as recorded in the office of the Clerk of the Fayette County Court. In the event the location or grade of streets, sidewalks, curbs, building plots, building lines or utility easements be altered, amended or changed in the final plat or in an amended plat of said subdivision as approved by said Commission or as recorded in the office of said Clerk, whether such changes are made with or without the consent of SUBDIVIDER, or in the event a final plat is not approved or recorded, and in event such alteration, amendment, change, failure of approval or of recording requires, in the sole judgment of COMPANY, the relocation, removal, replacement, reconstruction, change in size or addition to the main(s) and related facilities to be constructed by COMPANY pursuant to the Agreement, SUBDIVIDER will immediately, upon demand from COMPANY, pay to COMPANY the actual cost to COMPANY of making such relocations, removals, replacements, changes in sizes and additions to such main(s) and related facilities, if any, so required in the sole judgment of COMPANY, as a result of such changes in location or grade of streets, sidewalks, curbs, building plots, building lines or utility easements. No part of the sums payable to COMPANY by SUBDIVIDER under the terms and provisions of this Paragraph SIXTH shall be subject to refund to SUBDIVIDER. In event SUBDIVIDER fails to pay to COMPANY such sums as may be demanded by COMPANY under provisions of this Paragraph SIXTH within ten (10) days from such demand, COMPANY shall have the right, in addition to and not in limitation of all other remedies, which right shall be superior to the rights of any intervening assignee or creditor of SUBDIVIDER, to apply refunds coming due under Paragraph FOURTH of the Agreement to the reduction and extinguishment of the debt of SUBDIVIDER to COMPANY under terms of this Paragraph SIXTH.

SEVENTH: By execution of this Agreement, SUBDIVIDER grants unto COMPANY, its successors and assigns, the permanent right and privilege to lay and construct its main(s) and related facilities, if any, on, over and through the lands of SUBDIVIDER at the locations depicted on Exhibit "A" and described in Paragraph FIRST above, together with the right to enter upon the adjacent lands of SUBDIVIDER for the purpose of installing,

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EFFECTIVE: June 28, 2019

Approved:

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*

**KENTUCKY
 PUBLIC SERVICE COMMISSION**

Gwen R. Pinson
 Executive Director

Gwen R. Pinson

EFFECTIVE

6/28/2019

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

construction, repairing, renewing, replacing and inspecting such main(s) and related facilities, if any.

EIGHTH: SUBDIVIDER will furnish to COMPANY immediately upon recordation thereof in the office of the Clerk of _____ five (5) copies of the final plat of said subdivision as approved by the _____.

NINTH: The ownership of the water main(s) laid hereunder shall at all times be in COMPANY, its successors and assigns.

TENTH: This Agreement shall be valid and binding on COMPANY only when executed by its Director of Engineering.

ELEVENTH: This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the respective parties.

TWELFTH: Any notice given hereunder shall be deemed sufficient if in writing and sent by registered mail to COMPANY at 2300 Richmond Road, Lexington, Kentucky and to SUBDIVIDER at _____.

THIRTEENTH: This Agreement is entered into pursuant to the legally established Rules and Regulations of COMPANY and the words, phrases and terms hereof are to be understood and interpreted in conformity with said Rules and Regulations, which are hereby incorporated herein by reference.

Executed by the parties hereto in duplicate this the day and year first above written.

WITNESS:

KENTUCKY AMERICAN WATER

By: _____
(Director of Engineering)


(Date)

ISSUED: November 28, 2018
EFFECTIVE: June 28, 2019

Approved:

ISSUED BY: /s/ Nick O. Rowe
Nick O. Rowe
President
2300 Richmond Road, Lexington, KY 40502

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KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director

EFFECTIVE 6/28/2019 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

SUBDIVIDER:

Phone #: _____

Fax #: _____

Email: _____

WITNESS:

_____ By: _____
(Signature)

(Print or type name)

(Title/Position)

ISSUED: November 28, 2018

EFFECTIVE: June 28, 2019

Approved:

ISSUED BY: /s/ Nick O. Rowe

Nick O. Rowe
President
2300 Richmond Road, Lexington, KY 40502

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KENTUCKY PUBLIC SERVICE COMMISSION
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APPLICATION FOR SPECIAL CONNECTION

Account No.	
Contract No.	
WBS Element No.	

This Application, made in duplicate this _____ day of _____, 20 _____, by _____,

hereinafter called the "APPLICANT", to KENTUCKY AMERICAN WATER, a Kentucky corporation located at 2300 Richmond Road, Lexington, Kentucky, 40502, hereinafter called the "WATER COMPANY."

The APPLICANT, upon the terms and conditions hereinafter set forth, hereby applies to the WATER COMPANY for a private service, consisting of the right to connect a service pipe to a _____ public water main on _____ in Lexington and attach to said service pipe the following fixtures and _____ openings:

One (1) _____-inch fire service to _____ supply ; one _____-inch service line, post indicator and valve with all related fittings to supply a sprinkler system of approximately _____ sprinkler heads, covering approximately _____ square feet of _____ space;

all of which fixtures and openings to be located within or upon the premise of the APPLICANT abutting the street on which the said main of the WATER COMPANY is located.

In consideration for which privilege the APPLICANT agrees to be bound by all the terms and conditions of this Application and pay the WATER COMPANY for private fire protection service at the schedule of rates in effect from time to time during the rendition of such service.

The further terms and conditions upon which this Application may be accepted by the WATER COMPANY are as follows:

FIRST: That this Application and the acceptance thereof by the WATER COMPANY may be subject to the prior approval of the fire department having jurisdiction of the premises to be served.

SECOND: That the entire service system on APPLICANT's premises shall be subject to the inspection, test and approval of the WATER COMPANY, and the WATER COMPANY by its representatives, shall have the right to enter the premises of the APPLICANT at any reasonable time for the purpose of making such reasonable inspections as it may deem necessary, and to insure compliance with the terms and conditions of this Application.

THIRD: That all pipes and appurtenances shall be constructed and maintained in good condition by and at the expense of the APPLICANT.

FOURTH: That a fire line meter or detector device, approved by both the WATER COMPANY and the fire underwriters, will be required on the service at a location approved by the WATER COMPANY. Such meter or device shall be installed and maintained by and at the cost and expense of the APPLICANT, but subject to the inspection and approval of the WATER COMPANY. The bypass meter only, used with the detector device, shall be furnished, installed and maintained by the WATER COMPANY at its cost and expense.

FIFTH: That a gate valve with the post indicator controlling the entire supply shall be placed at the curb or property line of the street in which

the main is located or at such other point as may be approved by the WATER COMPANY, and shall be furnished, installed and maintained by and at the expense of the APPLICANT, and unless otherwise approved by the WATER COMPANY, said valve shall be installed in a valve pit or vault which shall also be furnished, installed and maintained by and at the expense of the APPLICANT.


SIXTH: That all hydrants and other fixtures connected to any private fire protection service system shall be kept closed and sealed, and not

opened or used except during times of fire or testing. Upon extinguishment of each fire or following each test, the APPLICANT shall immediately close such fixtures and notify the WATER COMPANY so that they may be sealed. Whenever a private fire protection service

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Approved:

ISSUED BY: /s/ Nick O. Rowe
Nick O. Rowe
President
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KENTUCKY PUBLIC SERVICE COMMISSION
Gwen R. Pinson Executive Director 
EFFECTIVE 6/28/2019 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

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KENTUCKY-AMERICAN WATER COMPANY

system is to be tested, the APPLICANT shall notify the WATER COMPANY at least two business days in advance of such proposed test, requesting approval of the method, day and hour on which it is to be made.

SEVENTH: That no antifreeze or any other substance not specifically approved by the Environmental Protection Agency as non-detrimental

to the public water supply, shall be introduced into sprinkling systems or into any pipe, fixture, appurtenance or other portion of the APPLICANT's private fire protection service system.

EIGHTH: That the APPLICANT understands and agrees that the extent of the rights of the APPLICANT under this Application is to receive, at

times of fire on said premises, such supply of water as shall then be available and no other or greater quantity. The APPLICANT further acknowledges and agrees the WATER COMPANY shall not be considered in any way or manner an insurer of property or persons, or to have undertaken to extinguish fire or to protect any persons or property against loss or damage by fire, or otherwise, and the WATER COMPANY shall be free and exempt from any and all claims for damages on account of any injury to property or persons by reason of fire, water, failure to supply water or pressure, or for any other cause whatsoever.

NINTH: That this Application does not contemplate uses of fixtures other than those shown on Exhibit A. Any waste of water or use of water

through this connection for purposes other than testing or the extinguishment of fire, shall be deemed a violation of the terms and conditions of this Application and of the rules, regulations and conditions of service of the WATER COMPANY.

TENTH: That if private fire hydrants are included as part of this Application, they shall be painted any color other than that adopted by the WATER COMPANY for public fire hydrants.

ELEVENTH: That the APPLICANT shall furnish, attach and make a part hereof marked Exhibit A, three (3) complete sets of drawings

showing the pipes, pumps, valves, hydrants, sprinkler systems, hose outlets and connections, standpipes, tanks and other openings and appurtenances contemplated in this Application. Such drawings, which shall be stamped "Approved" by the Insurance Services Office or other comparable agency approved by the WATER COMPANY, must also show all other water supply systems and pipelines and appurtenances which are proposed or which may exist on the premises to be served.

TWELFTH: That no pipe, fixture or appurtenance connected with the private fire protection service served by this Application shall be

connected with any pipe, fixture or appurtenance supplied with water from any other source, unless specifically approved in writing by the WATER COMPANY.

THIRTEENTH: That the APPLICANT agrees to obtain in writing in advance the approval of the WATER COMPANY for any change, alteration, addition or deletion contemplated in the pipes, fixtures, openings and appurtenances and uses herein specified. Notwithstanding the approval of the WATER COMPANY, APPLICANT agrees that, except for those facilities which the WATER COMPANY had specifically agreed to provide and maintain, APPLICANT is and will be solely responsible for the design, adequacy, function and maintenance of its private fire protection service system referred to in this Application.

FOURTEENTH: That the WATER COMPANY has the right to discontinue or disconnect the service pipe herein applied for, and to terminate service under this Application, after due written notice to the APPLICANT, for failure to pay any bill when due, for failure to supply information to WATER COMPANY about the service system when so requested in writing, for leakage within APPLICANT's system, for violation of any of the terms and conditions of this Application, or for any violation of its rules, regulations and conditions of service; and the WATER COMPANY also has the right to shut off all or any part of its facilities by the WATER COMPANY(1) if a condition dangerous or hazardous to life, physical safety or property exists, (2) upon order by any court, the Public Service Commission or other duly authorized public authority, (3) if fraudulent or unauthorized use of water by APPLICANT is detected, or if the WATER COMPANY's regulating or measuring equipment has been tampered with by the APPLICANT.

FIFTEENTH: That upon acceptance of this Application by the WATER COMPANY and the completion of the installation of the service applied for, this Application shall be in full force and effect as a contract and shall continue as such until cancelled by written notice given thirty (30) days in advance by the APPLICANT to the WATER COMPANY, except as otherwise provided in numbered paragraph (14) above.

SIXTEENTH: The acceptance of this Application by the WATER COMPANY must be executed by its Director of Engineering before same becomes effective.

SEVENTEENTH: If ownership of the property served by the service applied for herein changes, notice thereof shall be given to the WATER COMPANY within thirty (30) days and the new owner shall be identified by name, address and proper person to contact.

ISSUED: November 28, 2018

Approved:

EFFECTIVE: June 28, 2019

ISSUED BY: /s/ Nick O. Rowe

Nick O. Rowe

President

2300 Richmond Road, Lexington, KY 40502

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**KENTUCKY
PUBLIC SERVICE COMMISSION**

Gwen R. Pinson
Executive Director

Gwen R. Pinson

EFFECTIVE

6/28/2019

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

CONFIDENTIAL INFORMATION REDACTED
KENTUCKY-AMERICAN WATER COMPANY

P.S.C. KY NO. 9
First Sheet No. A-12

EIGHTEENTH: That the APPLICANT or his agent is responsible for payment of the deposit for the estimated cost of construction to WATER COMPANY. To the extent there is any refund to be made at the end of the project after all costs are accrued, such refund will be paid to the APPLICANT by check made payable to the APPLICANT. To the extent that any amount is owed to WATER COMPANY at the end of the project after all costs are accrued, payment of such amounts is the responsibility of the APPLICANT. To the extent the APPLICANT owes any of the refunded amount to the contractors, APPLICANT agrees it is responsible for these amounts owed and that WATER COMPANY has no responsibility in that regard.

IN WITNESS WHEREOF, the APPLICANT has hereunto signed the day and year:

Witness Signature

Signature and Title of APPLICANT or Duly Authorized Representative

APPROVED this _____ day of _____, 20_____.

Witness Signature *Chief of Fire Department*

County/City of _____

WATER COMPANY hereby accepts the foregoing Application this _____ day of _____, 20_____.

Witness Signature *Director of Engineering* *Date*

ISSUED: November 28, 2018
EFFECTIVE: June 28, 2019

Approved:

ISSUED BY: /s/ Nick O. Rowe
Nick O. Rowe
President
2300 Richmond Road, Lexington, KY 40502

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KENTUCKY
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Gwen R. Pinson
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6/28/2019
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

QUESTION 20 – RESUMES

JUSTIN LANE

Mt Sterling, KY – [REDACTED] – justin.lane@amwater.com

CORE COMPETENCIES

Project Management

Operations Management

Budget Development

Strategic Planning

Financial Forecasting

Change Management

Team Leadership Skills

Business Development

Process Improvement

PROFESSIONAL EXPERIENCE

KENTUCKY AMERICAN WATER – Lexington, KY

Senior Manager Business Development

2022 – Present

Pro-actively identify and secure suitable new business, lead the deal structuring & bid management process in the allocated territory, updating the regional business development plan and implementing the plan to secure profitable and sustainable business growth in line with the company's business plan targets and strategy.

- ❖ **Maintains** the business development pipeline and target opportunities
- ❖ **Develops** shape & track potential opportunities and match service and product offerings with customer needs
- ❖ **Monitors** the end-to-end business development cycle

Operations Project Manager

2020 – 2022

Serves as Operations Project Manager supporting the company's vision and focus on growing water and wastewater territory through acquiring systems. Developed project management structure for business development efforts to create a structure and strategy from scratch. Maintains responsibility for planning and designating project resources, preparing budgets, and monitoring progress. Identifies potential areas of opportunity and implements best practices for driving efficiency and process improvement.

- ❖ **Maintains** processes to manage scope, setting quality and performance standards while managing risk across projects
- ❖ **Develops** and maintains strong partnerships with external resources, including third-party vendors and stakeholders
- ❖ **Monitors** and assigns all resources appropriately to streamline project efficiency and maximize deliverable outputs

J.Y. LEGNER, KENTUCKY UTILITIES-LG&E – Lexington, KY

Transmission & Substation Project Manager

2018 – 2020

Served as Transmission & Substation Project Manager and the single point of contact for large Capital Transmission projects. Maintained responsibility for the successful delivery of project/contract activities through the project lifecycle. Collaborated to develop and implement project plans, updated various dashboards, and managed cross-functional teams in a matrix organization.

- ❖ **Managed** portfolio of up to 50 projects with approximate budget of \$150M throughout the State of Kentucky and Virginia
- ❖ **Reviewed** project dashboard, created daily/weekly/monthly plans, scheduled site visit, and reviewed supply chain issues
- ❖ **Identified** areas of opportunity and implemented best practices for driving new efficiencies and process improvements

MONARCH CONSTRUCTION INC – Cincinnati, OH

Project Manager

2018

Provided leadership as Project Manager responsible for supporting project management responsibility for \$40M university student center housing 6 fast-food restaurants at Morehead State Campus in Morehead, KY. Led onsite project management team by facilitating contractor and performance issues affecting success of the project by ensuring change orders and RFIs were addressed.

TURTLE & HUGHES INC – Mount Sterling, KY

Site Manager

2017 – 2018

Served as Site Manager spearheading cross-functional initiative to achieve optimal time and cost savings. Trained, coached, and mentored staff to ensure effective daily site operations. Collaborated with Cooper Standard Automotive Plant Management to achieve cost savings initiatives. Developed and rolled out new policies, processes, and procedures for daily business activities.

TRACE CREEK CONSTRUCTION INC – Vanceburg, KY**Project Manager****2016 – 2017**

Provided leadership as Project Manager responsible for developing and executing project management plans, including change management, RFIs, timekeeping, submittal review, risk management, and conflict resolutions. Collaborated cross-functionally to ensure daily project activities aligned with company goals. Implemented best practices for driving efficiencies and cost savings.

- ❖ **Managed** \$12M HVAC renovation at Ashland Community College and a \$6.5M school addition at Stanford Elementary
- ❖ **Acted** as PM for \$1M design build on a medical center in South Shore, KY and \$800K medical center in Vanceburg, KY

EAST KENTUCKY POWER COOPERATIVE INC – Winchester, KY**Construction Analyst****2009 – 2016**

Served as Construction Analyst preparing actual & forecasting analyst for O&M and capital budgets along with variance reports. Assisted PSC reporting and RUS funding closeout requirements. Acted project manager on various projects, including completion of a pollution control upgrade project at Dale Power Station and the redesign of a corporate procure-to-pay process improvement.

- ❖ **Maintained** responsibility for serving as the Program Manager for a corporate-wide continuous improvement initiative
- ❖ **Executed** feasibility studies, including ROI of projects to determine the business impact and ensure strategy alignment

THE WALKER COMPANY OF KENTUCKY INC – Mt Sterling, KY**Project Manager / Estimator****2005 – 2009**

Provided leadership as Project Manager overseeing safety goals, project schedule, cost, subcontractor management, and change orders. Delivered estimating support and assistance to the internal estimating team for bid projects and design build projects.

EDUCATION

Bachelor of Science (BS) in Industrial Engineering Technology (*Emphasis in Construction Management*)
Morehead University – Morehead, KY (2005)

CERTIFICATIONS

Kepner Tregoe Problem Solver & Decision Maker Facilitator
Business Process Mapping Notation (BPMN) Certification

NATHAN CLARK

Winchester, KY – [REDACTED] – nathan.clark@amwater.com

CORE COMPETENCIES*Project Management**Operations Management**Budget Development**Strategic Planning**Financial Forecasting**Change Management**Team Leadership Skills**Business Development**Process Improvement***PROFESSIONAL EXPERIENCE****KENTUCKY AMERICAN WATER****Project Manager – Lexington, KY****2019 – Present**

- ❖ Monitor and managing budgets and schedules for capital investment projects.
- ❖ Asset owner satisfaction with the scope of work agreed upon for each project. Interact with appropriate personnel to ensure project delivery meets operational needs.
- ❖ Ensure compliance with established regulatory criteria, specifications, and standards.
- ❖ Interact with property group, technical services, and other internal/ external government agencies to coordinate land acquisitions, easements, right of ways, permits, certificates, and other project approvals for assignment projects. .

Sr. Superintendent of Operations – Owenton, KY**2017 – 2019**

- ❖ Directly responsible for the safety and well-being of the employees in a 24/7 operations in the Northern Division
- ❖ Directly responsible for water, wastewater, transmission/ distribution and Customer Service in Franklin, Gallatin, Grant and Owen Counties
- ❖ Managed Infrastructure and Capital Projects to include Northern Field Ops Center (\$1.4M), Owenton wastewater lagoon project (\$1.2M) Tank/ Booster Station Removal and Bill Payment Kiosk, Meter replacement, New/ Existing Main Replacement.
- ❖ Engaged in internal and external key stakeholder meetings to verify project is online with budgets, time restraints, and personnel working.
- ❖ Maintain Capital/ O&M Budget, Minimizing Overtime spend, and look for continuous improvement projects.

Operation Supervisor – Lexington, KY**2014 – 2017**

- ❖ Comply with and promote safety standards for all personnel, responsible for operators, take care of any personnel issues, and manage monthly schedule to guarantee shift coverage.
- ❖ Maintain daily and monthly chemical inventory.
- ❖ Oversee capital projects that occur onsite or at any of the distribution locations in the system to include build of \$15M filter building.

Specialist Maintenance Service – Lexington, KY**2011 – 2014**

- ❖ Directly oversee and manage the SAP EAM Database of Maintenance Service Orders.
- ❖ Provide monthly completion reports to management team on PM's.
- ❖ Manage small capital projects throughout the year.

Maintenance Technician II – Lexington, KY**2005 – 2011**

- ❖ Maintained operating equipment with the Central and Northern service territories.
- ❖ Experienced with pump to motor laser alignment.
- ❖ Experienced with calibration of pressure transmitters, chart.
- ❖ Completed miscellaneous projects with other stakeholders in the business.

PROFESSIONAL EXPERIENCE - CONTINUED

UNITED STATES MARINE CORPS**Marine Security Guard****1995 – 1998**

Upheld Top-Secret Clearance through duration of duty.

- ❖ 1996 – 1998 American Embassy Rome, Italy
- ❖ 1995 – 1996 American Embassy Colombo, Sri Lanka

Warehouse Clerk – Parris Island, SC**1993 – 1995**

EDUCATION

Bachelor of Science (BS) Business Management*Regents University – (2019 – Current)***Associate of Applied Science***Bluegrass Community and Technical College – Lexington, KY (2000 - 2002)*

CERTIFICATIONS

*Water Treatment Plant Operator – Class IV-A – License Number 28104**Water Distribution System Operator – Class IV – License Number 26299**NIMIS Certified**Six Sigma Yellow Belt**Bronze Star*

**KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2023-00191
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT'S
SECOND REQUEST FOR INFORMATION**

Witness: John Watkins

7. Please refer to LFUCG DR 1-62. Please identify the locations by city where the approximately 1,200 Service Company employees are stationed. Include within your response the total number of Service Company employees stationed at each location and the number of Service Company employees stationed at each location that provides services to KAWC.

Response:

As of August 31, 2023, there are approximately 1,299 Service Company employees. Please see KAW_R_LFUCGDR2_NUM007_092123_Attachment for a list of locations and the number of Service Company employees at each location including the total number of employees that provide KAWC services.

Kentucky-American Water Company
Response to KAW_R_LFUCGDR2_NUM007_092123
Service Company Employee Location

Row Labels	Count of Pers.No.	No. of Persons Providing KY Assistance
CASV-Sacramento	1	
IASV-Davenport	1	
ILSV-Alton	2	2
ILSV-Belleville	57	10
ILSV-Champaign	1	
ILSV-Peoria	1	1
ILSV-Woodridge	3	2
INSV-Evansville	1	
INSV-Gary	1	
INSV-Greenwood	12	2
KYSV-Lexington	11	6
MOSV-Chesterfield	4	3
MOSV-Olivette	5	2
MOSV-Parkville	1	1
MOSV-St Louis	29	15
NJSV-Camden	554	347
NJSV-Delran	4	4
NJSV-Hazlet	10	11
NJSV-Howell	1	
NJSV-Plainfield	2	1
NJSV-Short Hills	2	1
PASV-Butler	1	1
PASV-Carnegie	1	
PASV-McMurray	1	
PASV-Mechanicsburg (Sample Br)	1	1
PASV-Mechanicsburg (Wesley Dr)	29	5
PASV-New Castle	1	1
PASV-Scranton	3	1
SVAW-Remote	535	477
TNSV-Chattanooga	4	
VASV-Alexandria	6	
VASV-Hopewell	2	1
WVSV-Charleston	12	1
Grand Total	1,299	896