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February 26, 2026

Linda Bridwell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Ky. 40602

RE: Surcharge Report for 01/2026
Original Case No: 2022-00366
Surcharge Reporting Case No: 2023-00351

Dear Ms. Bridwell,

Per the Public Service Commission's Order in Case No. 2022-00366 regarding the assessment of a surcharge of \$1.72 on each customer bill over forty-eight (48) months for the purpose of water loss reduction, the Commission required certain information from Mountain Water District to be submitted on a monthly basis in order for the Commission to ensure compliance by the District with the intent and purpose of the surcharge expenditures.

The District began billing the surcharge in mid-January, 2024. Please see the e-filed spreadsheet detailing this information for the month of January, 2026 uploaded to Case No. 2023-00351.

The District's Water Loss Report has been uploaded to the case as well. The substantial increase is due, in part, to an underestimated purchased water billing in December, and that usage was added to the January billing when the meter was actually read on January 30th, which inflated the purchased numbers from the City of Williamson, WV. The other issue was that the District's size results in the billing of 10 cycles monthly and the water sales report, due to the times the meters are read, runs from the 15th of the previous month to the 15th of the current month. In this case, December 15th to January 15th. The freeze event that lasted for weeks, where customers were running their water 24/7 in an attempt to keep their pipes from freezing, and those who had pipes to burst; all of that extra usage occurred after the 15th of January and therefore was not included in this water loss report's sales numbers. So purchased and produced water was up and sales numbers were lower, resulting in the higher water loss percentage. February's report will be much lower due to these factors resolving themselves.

Please contact me with any questions or concerns you may have with regard to this filing for the surcharge requirements by phone at (606) 631-6165 or via email at tolson@mtwater.org.

Sincerely,

Tammy Olson
General Manager
Mountain Water District

Equal Opportunity Provider and Employer