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September 29, 2025

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

RE: Surcharge Report for 08/25
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 August, 2025 uploaded to Case No. 2023-00351.

The District's Water Loss Report has been uploaded to the case as well. August's water loss percentage is still up, due partially to increased purchased water and lower sales numbers, as well as our continued recovery from the February flooding event. We have purchased the vehicles and equipment for the new day time leak detection crew members, and have continued to utilize funds for labor for the two (2) daytime leak detection employees that were added to our staff. The flooding in February caused havoc in our system and we had to turn valves around to purchase more from Pikeville, while we continue to leak detect and repair leaks all over the system while keeping customers in water service. The river crossing for MWD's wholesale purchase customer Mingo County PSD that was washed out during the flooding in February has been repaired in the last couple of weeks, so that should reduce our purchased water number as well, positively impacting the water loss percentage for September. I fully expect to see water loss numbers decline over the next few months.

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