

**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2025-00122**  
**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT'S**  
**SECOND REQUEST FOR INFORMATION**

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**Witness: Dominic DeGrazia**

1. Please refer to KAWC's Response to Item 56 of LFUCG's First Request for Information. For each of the PFAS manufacturers—including but not limited to 3M, DuPont, Tyco, and BASF—provide or identify the following:
  - a. The base score(s) for KAWC that has(have) been issued.
  - b. State whether KAWC is contesting or otherwise seeking an adjustment to the assigned base score.
  - c. The projected net dollar amount per point value of the base score for KAWC.
  - d. The anticipated total net settlement amount for KAWC.
  - e. When KAWC anticipates receiving the revenue from these settlements.
  - f. How KAWC will account for revenue received through these settlements.
  - g. Whether KAWC has included the anticipated revenue as a part of its calculation of proposed rates. If it has, please explain how. If it has not, please explain why not.

**Response:**

- a. The base score(s) for KAWC that has(have) been issued:
  - i. 3M: 57,130,262.13584
  - ii. DuPont: 57,130,262.13584
  - iii. Tyco: N/A (not issued)
  - iv. BASF: N/A (not issued)
- b. Whether KAWC is contesting or otherwise seeking an adjustment to the assigned base score:
  - i. 3M: No.
  - ii. DuPont: No.
  - iii. Tyco: N/A (not issued)
  - iv. BASF: N/A (not issued)
- c. The projected net dollar amount per point value of the base score for KAWC.
  - i. 3M: Approximately \$0.10
  - ii. DuPont: Approximately \$0.01
  - iii. Tyco: Not determined at this time.
  - iv. BASF: Not determined at this time.

- d. Please note that estimating future projected payments are inherently uncertain and subject to change. That said, the *anticipated* total net settlement amount for KAWC is as follows:
- i. 3M: \$4,454,511.79
  - ii. DuPont: \$445,451.18
  - iii. Tyco: At this time, Kentucky American Water lacks sufficient information to quantify anticipated total net settlements.
  - v. BASF: At this time, Kentucky American Water lacks sufficient information to quantify anticipated total net settlements.
- e. KAWC *anticipates* receiving the revenue from these settlements as follows:
- i. 3M: Annually from 2025 to 2033
    - a. Initial payment (Q2 2025): \$0.0200/point (20%) (already received)
    - b. Second payment (Q2–Q3 2025): \$0.0456/point (65.6% cumulative)
    - c. Annual payments from 2026 through 2033 to reach \$0.1000/point (100%)
  - ii. DuPont: Q3 or Q4 of 2025.
  - iii. Tyco: Q4 2025 or Q1 2026.
  - iv. BASF: Q4 2025 or Q1 2026
- f. The funds received will be accounted for in a regulatory liability account.
- g. The anticipated revenues from the settlement agreement proceeds should not be included in the calculation of proposed rates for this rate case. The settlement proceeds represent one-time proceeds that are not representative of future ongoing revenues. Consequently, KAWC did not include the proceeds in its calculation of proposed rates. The Company will propose to return the settlement proceeds to customers as line-item credits to bills after obtaining Commission approval. KAWC plans to seek such approval in the near future via a tariff filing.

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**Witness: William A. Lewis**

2. Identify expenses (capital and operational) that KAWC has incurred related to the treatment of water containing PFAS.

**Response:**

To date, KAWC has not incurred capital or operational expenses related to the treatment of water related to PFAS. As explained in Mr. Lewis's direct testimony, page 13, KAWC has begun sampling for PFAS. Thus far, testing for PFAS has not identified the need for treatment at any KAWC water treatment plants to meet the EPA's MCLs. However, testing will continue under UCMR 5 and Company-initiated testing. If there becomes a need to remove PFAS from drinking water, additional treatment technologies would likely be required at existing KAWC water treatment facilities. A determination of what technologies to employ if PFAS compounds meet the EPA's MCLs will require a review of the effectiveness of each technology and an analysis of the costs and operational feasibility for each location.

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**Witness: William A. Lewis**

3. Identify projected expenses (capital and operational) that KAWC anticipates incurring in 2026 related to the treatment of water containing PFAS.

**Response:**

Please see the response to LFUCG 2-2.