

**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2025-00171**  
**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

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**Witness: William A. Lewis**

1. Describe the following:
  - a. Kentucky-American's technical ability and resources to manage and operate the Water Service Company of Kentucky (Water Service Kentucky) water system.
  - b. Kentucky-American's financial ability and resources to manage and operate the Water Service Kentucky water system, including, but not limited to, available funds, lines of credit, loans, grants, or other financial support.
  - c. Kentucky-American's management ability and resources to manage and operate the Water Service water system.

**Response:**

American Water and KAWC have the financial, technical, and managerial expertise to operate and manage the Water Service facilities and to provide reasonable service to the areas currently receiving water service from those facilities. American Water serves 3.5 million customer connections in fourteen states through its regulated operating subsidiaries. Its transmission and distribution network includes 795 water and wastewater treatment plants, 1,700 pumping stations, 1,200 groundwater wells, 1,100 treated water storage facilities, 74 dams, and approximately 54,000 miles of main and collection pipes.

a. KAWC currently serves more than 138,000 customers in Kentucky and provides wholesale water service to ten public water systems. KAWC will retain Water Service's existing employees, thus ensuring the continuity of existing service. Moreover, these employees will have access to additional manpower in the form of existing KAWC employees who are serving other areas in the Commonwealth who will be readily available to assist when necessary. Additionally, Water Service's customers will receive the benefits from access to American Water's highly trained professionals in water treatment, compliance, and operations, supported by a central laboratory certified in 17 states, processing over 30,000 samples annually and collaborating with the USEPA on drinking water standards.

KAWC has been continuously providing water service to areas of the Commonwealth since 1882. Its continued operation of water facilities within the Commonwealth and across multiple Kentucky counties is evidence of its ability to provide reliable service to residential, commercial, and industrial customers.

b. As a subsidiary of American Water, KAWC has access to the equity and bond markets to obtain additional capital. KAWC can access lower cost capital through American Water

Capital Corp., an American Water affiliate. Given their larger size and greater financial resources, American Water and KAWC are much better positioned to make significant, long-term investments required to provide quality water services to the communities of Bell and Clinton Counties that Water Service currently serves. KAWC and its customers currently benefit from access to short-term loans, long-term borrowings, and cash management services at very competitive rates; rates that KAWC would not be able to obtain on its own. Through American Water, KAWC has access to public debt markets that provide lower all-in interest rates via lower credit spreads than can typically be achieved in the private placement market by a significantly smaller entity such as KAWC. American Water also achieves economies of scale by spreading debt issuance costs across all of its regulated subsidiaries rather than KAWC incurring issuance costs for stand-alone debt financing.

c. All of the officers and directors of KAWC have significant business and technical experience in the water utility business. As a result, they will be able to and will carry out Water Service Kentucky's responsibility to render safe, adequate and proper utility service. Additionally, as part of American Water, KAWC has access to highly trained professionals who possess expertise in various specialized areas, whose background, experience and training are focused on water utility operations, and who exclusively support American Water's subsidiaries. Furthermore, the size of the American Water Works Service Company and the scope of its operations have enabled it to assemble a uniquely qualified group of professionals who, through the Service Company, have a platform for sharing their extensive knowledge, expertise, experience and best practices across the American Water system to the benefit of all of American Water's state-regulated utilities and their customers, including KAWC and its customers.

**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2025-00171**  
**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

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**Witness: William A. Lewis**

2. Provide any current notice of violations issued by the Energy and Environment Cabinet (EEC) or the Department of Water (DOW) to Kentucky-American. Provide copies of each outstanding notice of violation and state how the violations will be resolved.

**Response:**

There are no current or outstanding notice of violations issued by the Energy and Environment Cabinet or the Department of Water to Kentucky-American.

**KENTUCKY-AMERICAN WATER COMPANY  
CASE NO. 2025-00171  
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

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**Witness: William A. Lewis**

3. Provide documentation of any communications between the Joint Applicants and the EEC or DOW regarding the Joint Application.

**Response:**

There has been no communication between Kentucky-American and the EEC or DOW regarding the Joint Application.

**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2025-00171**  
**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

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**Witness: Dominic DeGrazia**

4. Provide a copy of Water Service Kentucky's most current balance sheet and income statement for a period ending not more than 90 days prior to the application date.

**Response:**

Please see the KAW\_R\_PSCDR1\_NUM004\_062525\_Attachment for Water Service of Kentucky's most current balance sheet and income statement.

**Water Service Corporation of Kentucky**  
**Income Statement**  
**Test Year Ended May 31, 2025**

	<u>Allocated</u>
<u>Operating Revenues</u>	
Service Revenues - Water	1,462,728
Service Revenues - Sewer	-
Purchased Water Surcharge	-
Purchased Sewer Surcharge	-
Miscellaneous Revenues	2,070
Uncollectible Accounts	(36,437)
	<u>1,428,360</u>
Total Operating Revenues	
	<u>1,428,360</u>
<u>Maintenance Expenses</u>	
Purchased Power	55,668
Purchased Sewer & Water	51,795
Maintenance and Repair	97,775
Maintenance Testing	9,694
Meter Reading	-
Chemicals	58,307
Transportation	21,497
Operating Exp. Cap time Charged to Plant	(19,102)
Outside Services - Other	173,327
	<u>448,960</u>
Total	
	<u>448,960</u>
<u>General Expenses</u>	
Salaries and Wages	425,259
Office Expense	35,955
Regulatory Commission Exp.	39,757
Pension & Other Benefits	106,733
Rent	5,210
Insurance	37,052
Office Utilities	6,274
Miscellaneous	(3,163)
	<u>653,076</u>
Total	
	<u>653,076</u>
Depreciation	172,713
Amortization of PAA	(1,525)
Taxes Other Than Income	89,525
Income Taxes - Federal	-
Income Taxes - State	-
Excess ADIT	-
Amortization of ITC	-
Amortization of CIAC	(4,633)
	<u>256,079</u>
Total	
	<u>256,079</u>
Total Operating Expenses	
	<u>1,358,116</u>
<u>Net Operating Income</u>	
	<u>70,244</u>
Other Income	1,546
Interest During Construction	(1,800)
Interest on Debt	40,548
	<u>29,951</u>
Net Income	
	<u><u>29,951</u></u>

**Water Service Corporation of Kentucky**  
**Balance Sheet**  
**Test Year Ended May 31, 2025**

<u>ASSETS</u>			<u>LIABILITIES AND OTHER CREDITS</u>		
Plant In Service			Capital Stock and Retained Earnings		
Water	\$	14,553,475	Common Stock and Paid In Capital	\$	2,835,076
Sewer		-	Retained Earnings		<u>215,363</u>
Other		<u>-</u>			
Total	\$	<u>14,553,475</u>	Total	\$	<u>3,050,439</u>
Accumulated Depreciation-Water		(6,851,662)			
Accumulated Depreciation-Sewer		-	Current and Accrued Liabilities		
Accumulated Depreciation-Other		<u>(98,920)</u>			
Total	\$	<u>(6,950,582)</u>	Accounts Payable and Accrued Expenses		1,533,144
			Taxes Accrued		54,809
Net Utility Plant	\$	<u>7,602,893</u>	Customer Deposits		70,471
			Customer Deposits - Interest		3,697
			A/P - Assoc. Companies		4,374,030
			Deferred Revenue		<u>-</u>
			Total	\$	<u>6,036,152</u>
Plant Acquisition Adjustment-Water		(100,969)			
Plant Acquisition Adjustment-Sewer		<u>-</u>	Advances In Aid of Construction		
Total	\$	<u>(100,969)</u>	Water		-
			Sewer		<u>-</u>
			Total	\$	<u>-</u>
Construction Work In Process-Water		75,646			
Construction Work In Process-Sewer		<u>-</u>	Contributions In Aid of Construction		
Total	\$	<u>75,646</u>	Water		252,649
			Sewer		<u>-</u>
Current Assets			Total	\$	<u>252,649</u>
Cash		1,951,391			
Accounts Receivable - Net		768,089	Accumulated Deferred Income Tax		
A/R - Assoc. Companies		(755,126)			
Other Current Assets		<u>11,646</u>	Unamortized ITC		-
Total	\$	<u>1,976,000</u>	Deferred Tax - Federal		874,814
			Deferred Tax - State		11,734
Deferred Charges		672,218	Total	\$	<u>886,548</u>
TOTAL ASSETS	\$	<u><u>10,225,788</u></u>	TOTAL LIABILITIES AND OTHER CREDITS	\$	<u><u>10,225,788</u></u>

**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2025-00171**  
**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

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**Witness: Dominic DeGrazia**

5. Using Water Service Kentucky's balance sheet provided in response to Item 4, provide the journal entries that Kentucky-American will record to reflect the acquisition of Water Service Kentucky.

**Response:**

Please see the KAW\_R\_PSCDR1\_NUM005\_062525\_Attachment for journal entries that Kentucky-American would record to reflect the acquisition of Water Service Kentucky using Water Service of Kentucky's most current balance sheet.



KENTUCKY-AMERICAN WATER COMPANY

Acquisition JE

Balances as of 5/31/2025

Account	Description	Debit	Credit
101 - 106	Utility Plant Purchased or Sold	7,678,538	
114-115	Utility Plant Acquisition Adjustments (Net of Accum. Amort.)		100,969
123.0	Investments in Affiliated Companies	4,550,113	
131.0	Cash	1,951,391	
141-144	Account & Notes Receivable, Less Accum Provision	768,089	
151-153	Materials and Supplies	11,646	
186.0	Miscellaneous Deferred Debits	672,218	
231.0	Accounts Payable		1,533,144
232.0	Notes Payable		13,671,065
235.0	Customer Deposits		70,471
237.0	Accrued Interest		3,697
271.0	Contributions in Aid of Construction (net of accumulated amort.)		422,445
272.0	Accumulated Amortization	169,796	
<b>Total</b>		<b>15,801,791</b>	<b>15,801,791</b>

**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2025-00171**  
**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

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**Witness: William A. Lewis**

6. Explain whether and how Kentucky-American and American Water Works Company (American Water) appraised Water Service Kentucky as a going concern prior to and at the time it entered into the Asset Purchase Agreement.

**Response:**

The Joint Applicants are seeking approval of the sale by Nexus and purchase by American Water of all the equity and ownership interest in Water Service of Kentucky, along with the subsequent merger of Water Service of Kentucky into Kentucky American Water. There is no Asset Purchase Agreement and no appraisal was performed. As set forth in the Joint Application at Paragraph 15, the sale price of the equity and ownership interest is approximately \$315 million and Kentucky American Water will be allocated approximately \$13.6 million of that sale price. Also see the response to PSC 1-11.

**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2025-00171**  
**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

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**Witness: William A. Lewis**

7. Provide a copy of all studies, reports, or related analyses of appraisals or valuations of Water Service Kentucky as a going concern conducted by or caused to be conducted by Kentucky-American.

**Response:**

KAWC has not performed any appraisals or valuations of Water Service of Kentucky. The acquisition of Water Service of Kentucky was negotiated as part of a larger arm's length transaction between American Water and Nexus under which American Water agreed to acquire from Nexus all of the issued and outstanding equity interests in specified entities that own regulated water and wastewater systems located in various states, including Water Service in Kentucky. As set forth in the Joint Application at Paragraph 15, the sale price of the equity and ownership interest is approximately \$315 million and Kentucky American Water will be allocated approximately \$13.6 million of that sale price. Also see the responses to PSC 1-6, 1-9, and 1-11.

**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2025-00171**  
**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

---

**Witness: William A. Lewis**

8. Provide any acquisition related due diligence communications between Kentucky-American and Water Service Kentucky.

**Response:**

There were no direct communications between KAWC and Water Service of Kentucky. The acquisition of Water Service of Kentucky was negotiated as part of a larger arm's length transaction between American Water and Nexus under which American Water agreed to acquire from Nexus all of the issued and outstanding equity interests in specified entities that own regulated water and wastewater systems located in various states, including Water Service in Kentucky.

**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2025-00171**  
**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

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**Witness: William A. Lewis**

9. Explain how Kentucky-American appraised Water Service Kentucky's assets prior to and at the time it entered into the Asset Purchase Agreement.

**Response:**

The Joint Applicants are seeking approval of the sale by Nexus and purchase by American Water of all the equity and ownership interest in Water Service of Kentucky, along with the subsequent merger of Water Service of Kentucky into Kentucky American Water. There is no Asset Purchase Agreement and KAWC did not perform an appraisal of Water Service of Kentucky's assets. As set forth in the Joint Application at Paragraph 15, the sale price of the equity and ownership interest is approximately \$315 million and Kentucky American Water will be allocated approximately \$13.6 million of that sale price. Also see the response to PSC 1-11.

**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2025-00171**  
**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

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**Witness: Dominic DeGrazia**

10. Refer to the Joint Application, page 6, paragraph 14. It states that Kentucky-American will “serve Water Service Kentucky’s customers in accordance with KAWC’s existing water service tariff on file with the Commission except that the rates to be charged would remain the same.”
- a. Explain how Kentucky-American’s current rate case will affect Water Service Kentucky’s customers.
  - b. If the rates charged to current Water Service Kentucky customers will remain the same, please describe the time frame in which Kentucky-American expects the current Water Service Kentucky customers to fall under Kentucky-American’s base rates.

**Response:**

- a. The proposed tariff in Kentucky-American’s current rate case application under Docket No. 2025-00122 included only proposed rates changes for current Kentucky-American customers. No other tariff changes were proposed and therefore the current rate case will not affect Water Service Kentucky’s customers as Kentucky-American will charge them their existing rates. See the response to PSC 1-19.
- b. Kentucky American plans for the Water Service Kentucky customers to fall under Kentucky-American’s base rates in Kentucky-American’s next rate case proceeding, the timing of which has not been determined.

**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2025-00171**  
**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

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**Witness: William A. Lewis and Dominic DeGrazia**

11. Refer to the Joint Application, page 4, paragraph 9. It states that Water Service Kentucky currently has a net utility plant of \$7,757,458, but Kentucky-American is buying the assets for \$13.671 million.
- a. Explain the difference between the total value of Water Service Kentucky's assets and the purchase price allocated to Kentucky-American for the purchase of Water Service Kentucky.
  - b. Explain how the assets and purchase price will be recorded on Kentucky-American's balance sheet.
  - c. If Kentucky-American's debt and equity will increase by \$13.671 million, explain how the difference between the purchase price and the net book value of the transferred assets will be removed for ratemaking purposes.
  - d. Provide the total purchase price between American Water and Nexus Regulated Utilities, LLC and explain how the purchase price was allocated to Kentucky-American.

**Response:**

- a. The difference between the net utility plant and purchase price allocated to KAWC is approximately \$5.9 million. The acquisition of Water Service of Kentucky was negotiated as part of a larger arm's length transaction between American Water and Nexus under which American Water agreed to acquire from Nexus all of the issued and outstanding equity interests in specified entities that own regulated water and wastewater systems located in various states, including Water Service in Kentucky. KAWC was allocated its proportional share of the total purchase price.
- b. The purchase price is allocated to individual assets and liabilities based on their fair values as required under GAAP. Utility plant in service will be valued at the original cost net of accumulated depreciation. Please also refer to KAW\_R\_PSCDR1\_NUM005\_062525 for the anticipated journal entries for how the Company intends to record the acquisition.
- c. Refer to the response to part b and the anticipated journal entries provided in KAWC's response to KAW\_R\_PSCDR1\_NUM005\_062525 for how the Company intends to record the acquisition. As shown in the journal entries provided, the Company intends

to record the net original cost of the utility plant in service, which will then be included in rate base. As stated at Paragraph 15 of the Joint Application in this matter, KAWC will not request any adjustment for ratemaking purposes to reflect the difference between the book value of the assets and the allocated share of the total purchase price.

- d. The total purchase price for the transaction is \$315 million, subject to adjustment at the closing of the purchase based on the calculations and criteria provided in the Purchase Agreement. American Water intends to allocate KAWC the cost of the assets acquired through the Purchase Agreement and proposed merger based upon the ratio of Water Service's capital structure balance to that of total capital structure balance of the entities acquired through the Purchase Agreement. Water Service's total capital structure balance represents approximately 4.34 percent of the total capital structure balance.



**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2025-00171**  
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**Witness: John Magner**

12. Describe any system improvement projects Kentucky-American has identified within the current Water Service Kentucky system. If any system improvement projects have been identified, explain each project.

**Response:**

System improvements identified by Kentucky American Water ("KAWC") are summarized below.

- **Meter Replacements (Middlesboro and Clinton):** Replacement of all water meters within the Water Service Kentucky ("WSK") system. Based on a previous filing submitted to the Kentucky Public Service Commission by WSK, WSK's existing meters must be read manually. Replacing these manual read meters will reduce labor expenses and result in more accurate billing to customers.
- **Safety and Security Improvements (Middlesboro and Clinton):** Implementation of safety and security improvements such as surveillance systems, badge access systems, fall protection measures, and security fencing to bring WSK's existing production and distribution sites into compliance with KAWC's safety and security standards.
- **Supervisory Control and Data Acquisition (SCADA) Improvements (Middlesboro and Clinton):** Implementation of SCADA infrastructure to integrate the monitoring and control of WSK's production and distribution infrastructure into KAWC's existing SCADA system. This will allow for more efficient operation of the Middlesboro and Clinton systems.
- **Service Line Replacements (Middlesboro and Clinton):** Replacement of aging and dilapidated company service lines that are contributing to water loss.

**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2025-00171**  
**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

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**Witness: William A. Lewis**

13. Provide Kentucky-American's current water loss percentage.

**Response:**

KAWC's 12-month rolling Non-Revenue Water loss is 19.0% as of the end of April 2025.

**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2025-00171**  
**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

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**Witness: William A. Lewis**

14. Refer to the Joint Application, page 5, paragraph 12. It states that all current Water Service Kentucky employees will be retained. Explain if all Water Service Kentucky employees will maintain their current positions and job duties after the merger is completed.

**Response:**

KAWC intends to retain all current Water Services employees as KAWC employees and they will be required to meet the same standards as KAWC employees based on background checks and drug testing. While KAWC intends to retain current Water Services employees, some job duties may change to ensure Water Services employee functions are appropriately integrated into existing KAWC practices, organizational structures, and as a result of various infrastructure improvements after the merger.

**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2025-00171**  
**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

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**Witness: William A. Lewis**

15. Explain whether Kentucky-American plans to hire additional employees to assist with the operation of the Water Service Kentucky system.

**Response:**

KAWC intends to hire existing Water Service Kentucky system employees. In addition, KAWC plans to hire an additional employee resource to support environmental, health and safety programs for both the Clinton and Middlesboro systems. KAWC believes this is necessary to better align the existing Water Service Kentucky operations with KAWC safety and environmental programs to ensure a high level of performance.

**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2025-00171**  
**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

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**Witness: Dominic DeGrazia**

16. Provide copies of any filings or applications regarding proposed merger that have been filed with any additional regulatory agency on behalf of Kentucky-American.

**Response:**

No filings or applications regarding the proposed merger have been filed with any additional regulatory agency on behalf of Kentucky-American.

**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2025-00171**  
**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

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**Witness: William A. Lewis**

17. Explain how the proposed merger is in the public interest.

**Response:**

As stated in the Joint Application, this proposed merger will bring significant benefits by combining Water Service with a larger, more robust company—Kentucky American Water (KAWC). These benefits include greater access to capital for infrastructure investment, operational efficiencies, and enhanced service quality. Water Service employees will gain access to greater resources and expertise, while customers will benefit from greater access to advanced water treatment capabilities and economies of scale. More importantly, there will be no immediate impact on customer rates or regulatory oversight, and the transaction will strengthen KAWC's ability to serve and respond to regulatory inquiries. Please also see KAWC's response to KAW\_R\_PSCDR1\_NUM001\_062525.

**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2025-00171**  
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**Witness: William A. Lewis**

18. Describe any efficiencies the merger creates within the Kentucky-American water system.

**Response:**

The merger would result in American Water's subsidiary, KAWC, immediately gaining approximately 6,000 customers, which would permit the cost of service to be spread over a larger customer base in future rate cases and increase KAWC's ability to secure discounts on the purchasing of goods and services, ultimately benefitting all current and future KAWC customers.

**KENTUCKY-AMERICAN WATER COMPANY**  
**CASE NO. 2025-00171**  
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**Witness: Dominic DeGrazia**

19. Provide a summary of the proposed Kentucky-American tariff changes should the merger be approved in a redline form to the current tariff.

**Response:**

Please see attached for the redline changes to Kentucky-American's tariff should the merger be approved. The changes consist of: (1) revising the cover sheet to include Bell and Hickman Counties in the territory served; (2) revising the table of contents to add Sheet No. 30; and (3) adding Sheet No. 30 to include the rates set forth in Sheets No. 38 and 39 of Water Service Corporation's current tariffs.



KENTUCKY-AMERICAN WATER COMPANY

P.S.C. KY NO. 10

Original Sheet Nos. 1-28, 30, 32, 34-46, 38-42, 44-48

Second Sheet Nos. 29, 31, 33, 37, 43

Fourth Sheet No. 49

Cancelling P.S.C KY NO. 9

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KENTUCKY-AMERICAN WATER COMPANY

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2300 Richmond Road

Lexington, KY 40502

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

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RATES – CHARGES – RULES – REGULATIONS

FOR FURNISHING

WATER SERVICE

AT

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

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FILED WITH THE

PUBLIC SERVICE COMMISSION

OF

KENTUCKY

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ISSUED: June 25, 2025

Approved:

EFFECTIVE: August 1, 2025

ISSUED BY: /s/ Robert Burton

Robert Burton

President

2300 Richmond Road, Lexington, KY 40502

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INDEXKENTUCKY-AMERICAN WATER COMPANY RULES AND REGULATIONS FOR WATER SERVICE

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ISSUED: June 25, 2025  
EFFECTIVE: August 1, 2025

Approved:

ISSUED BY: /s/ Robert Burton  
Robert Burton  
President  
2300 Richmond Road, Lexington, KY 40502

N  
N  
N

**CLASSIFICATION OF SERVICE**  
**SERVICE CLASSIFICATION NO. 2****Applicable**

Applicable to customers served in Bell and Hickman Counties, including those previously served by Water Service Corporation of Kentucky.

**Meter Rates**

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

<u>First 100,000 gallons</u>	<u>\$.006855 per gallon</u>
<u>All over 100,000 gallons</u>	<u>\$.004730 per gallon</u>
<u>Wholesale Water Rate</u>	<u>\$.002489 per gallon</u>

**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.

<u>Meter Size</u>	<u>Service Charge Per Month</u>
<u>5/8"</u>	<u>\$15.78</u>
<u>3/4"</u>	<u>\$15.78</u>
<u>1"</u>	<u>\$39.45</u>
<u>1.5"</u>	<u>\$78.89</u>
<u>2"</u>	<u>\$126.22</u>
<u>3"</u>	<u>\$236.66</u>
<u>4"</u>	<u>\$394.44</u>
<u>6"</u>	<u>\$788.87</u>

**Monthly Fire Protection Charges**

<u>Middlesboro municipally owned hydrants</u>	<u>\$10.20 per hydrant</u>
<u>Private Hydrants or Sprinkler Systems</u>	<u>\$46.16 per hydrant or sprinkler</u>
<u>Ambleside Private Fire Surcharge*</u>	<u>\$4.59 per customer</u>

\*Surcharge is only applicable to those customers residing in the Ambleside subdivision in Middlesboro, KY

**ISSUED:** June 25, 2025  
**EFFECTIVE:** August 1, 2025

**Approved:**

**ISSUED BY:** /s/ Robert Burton  
Robert Burton  
President  
2300 Richmond Road, Lexington, KY 40502