

Case No. 2025-00171
Water Service Company of Kentucky
Response to Commission Staff's Second Request for Information

2-1:

Refer to the Joint Application, page 4, paragraph 9. It states that the Water Service Kentucky net utility plant value was \$7,757,458 as of December 31, 2024. Provide the current net utility plant for Water Service Kentucky.

Response: Water Service of Kentucky's net utility plant value was \$7,602,893 as of May 31, 2025. See Water Service of Kentucky's May 31, 2025 balance sheet attached to Water Service of Kentucky's response to Staff's First Request for Information No. 5.

Witness: Justin Kersey

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2-2:

Refer to Water Service Kentucky's response to Commission Staff's First Request for Information (Staff's First Request), Item 1(a). Provide the actual water loss from June 2024 through June 2025, as well as the 12-month rolling average of water loss for each month during that same period.

Response:

Clinton

	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Water Pumped	2,700,020	2,525,050	2,650,080	2,598,790	2,423,160	2,229,620	2,488,053	2,813,220	2,347,140	2,848,580	2,527,120	2,590,930	2,728,700
Water Delivered/Sold	2,322,200	2,253,056	2,456,019	2,443,196	2,505,199	2,088,995	2,061,897	2,094,561	2,561,438	2,477,322	2,067,239	2,491,695	2,269,494
Authorized Uses	378,100	109,716	67,300	74,470	45,063	105,200	40,500	63,200	23,500	410,683	118,035	89,650	62,650
Water Loss (Gal)	(280)	162,278	126,761	81,124	(127,102)	35,425	385,656	655,459	(237,798)	(39,425)	341,846	9,585	396,556
% Lost	0%	6%	5%	3%	-5%	2%	16%	23%	-10%	-1%	14%	0%	15%
Rolling Avg (% Lost)	6%	5%	5%	5%	4%	4%	4%	3%	5%	4%	5%	4%	6%

Middlesboro

	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Water Pumped	39,496,202	40,290,039	41,542,132	38,204,333	39,892,262	37,585,255	36,899,985	43,243,484	34,766,075	37,535,857	34,534,568	37,303,617	39,930,576
Water Delivered/Sold	31,497,840	30,690,446	31,548,180	30,433,427	27,630,414	29,068,980	28,342,529	30,238,455	29,174,468	31,481,936	27,419,135	36,521,205	29,528,683
Authorized Uses	3,036,737	2,730,647	2,648,403	2,634,092	2,517,949	2,665,363	2,518,351	9,127,189	2,722,163	2,455,002	1,844,020	2,373,970	2,547,080
Water Loss (Gal)	4,961,625	6,868,946	7,345,549	5,136,814	9,743,899	5,850,912	6,039,105	3,877,840	2,869,444	3,598,919	5,271,413	(1,591,558)	7,854,813
% Lost	13%	17%	18%	13%	24%	16%	16%	9%	8%	10%	15%	-4%	20%
Rolling Avg (% Lost)	18%	18%	19%	20%	21%	21%	20%	18%	18%	16%	15%	13%	14%

Witness: Justin Kersey

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2-3:

Refer to Water Service Kentucky's response to Staff's First Request, Item 2. This response was not responsive. Provide the current amount and total number of customer deposits held.

Response: Water Service of Kentucky's customer deposits was \$70,471 as of May 31, 2025. See Water Service of Kentucky's May 31, 2025 balance sheet attached to Water Service of Kentucky's response to Staff's First Request for Information No. 5.

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Witness: Justin Kersey

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2-4:

Refer to Water Service Kentucky's response to Staff's First Request, Item 6. Explain how Water Service Kentucky will record the transfer of its equity interests to Kentucky-American Water Company (Kentucky-American) and state how Water Service Kentucky will record the close of its accounting books.

Response: Please see the response to Staff's First Request for Information No. 6. Water Service Kentucky does not anticipate that it will record any journal entries for the transfer of equity interest to Kentucky American, since the proposed transaction will not impact Water Service Kentucky's accounting directly. KAWC will record the acquisition via a journal entry and will be a Debit to Investment in Subsidiary on Kentucky American's Book and Credit to Cash/Short-term Debt. Upon merger, Water Service Kentucky's balances will be transferred to KAWC and Water Service Kentucky will no longer exist.

Witness: Steve Lubertoizzi and Dominic DeGrazia

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2-5:

Refer to Water Service Kentucky's response to Staff's First Request, Item 9.

- a. Explain how the proposed transaction will provide Water Service Kentucky's current customers enhanced service quality.
- b. State the improved resources and expertise that current Water Service employees will gain access to as a result of the proposed transactions.

Response:

a. The proposed transaction will offer acquired Water Service of Kentucky customers the benefit of access to and ability to leverage a broader operational and support framework that is offered to Kentucky-American as part of the American Water Works Company, Inc. ("American Water") organization. American Water's subsidiary, American Water Works Service Company, Inc. ("Service Company") provides extensive services to its regulated utility affiliates, including Kentucky-American. Support provided by the Service Company includes customer service, water quality testing, innovation and environmental stewardship, human resources, communications, information technology, finance, accounting, payroll, tax, legal, engineering, accounts payable, supply chain, and risk management services. The Service Company's Customer Service Organization ("CSO") handles customer calls, billing, and collection activities for the Company and its regulated utility affiliates. The CSO responds to customer inquiries and correspondence, and processes service order requests.

In addition, the Service Company operates Field Resource Coordination Centers responsible for tracking and dispatching service orders for our field representatives and distribution crews. The Service Company also operates the Central Laboratory, located in Belleville, Illinois. The Service Company provides Kentucky-American with access to highly trained professionals who

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possess expertise in various specialized areas, whose background, experience and training are focused on water and wastewater utility operations, and who exclusively support American Water's subsidiaries. Furthermore, the size of American Water 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.

b. Employees will have access to advanced technology, tools and infrastructure to support the work they do. They will find resources and support for meeting future career aspirations through intentional experiential, social and formal development opportunities. Additionally, as an industry leader for water quality, innovation and environmental leadership, employees will have the benefit of resources provided by our Service Company team of talented professionals leveraging our national size and scale to achieve excellent outcomes.

Witness: William Lewis

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2-6:

Provide a list of all leaks repaired since January 2025 through June 2025 in the service territory. Include in the response the age and type of pipe, if applicable.

Response: Please refer to the attached, "Attachment to RFI 2-6". The first tab in the attachment contains the leak log for Middlesboro and the second tab, for Clinton. The age of the pipe is not recorded in the leak log.

Witness: Justin Kersey

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2-7:

Individually, provide the feet of asbestos cement pipe, galvanized pipe, unlined cast iron pipe, and lead pipe currently serving Water Service Kentucky's customers in this service area by pipe type. If Water Service Kentucky has any of these types of pipes, provide a map and identify each type of pipe on the map of the service territory.

Response: Water Service of Kentucky is not aware of any asbestos cement pipe, galvanized pipe, unlined cast iron pipe or lead pipe serving its customers.

Witness: Justin Kersey

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF FAYETTE)

Dominic DeGrazia
Dominic DeGrazia

Molly McCleese Van Over
Notary Public

July 31, 2029

Notary ID: KYNP26988

VERIFICATION

STATE OF ILLINOIS

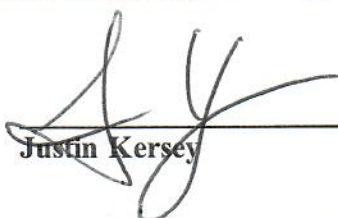
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) SS:


COUNTY OF DUPAGE

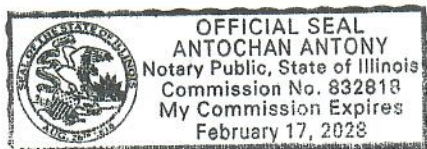
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The undersigned, Justin Kersey, being duly sworn, deposes and says that he is the President of Water Service Corporation of Kentucky, that he has personal knowledge of the matters set forth in Water Service Corporation of Kentucky's responses to the Second Request for Information, and that they are true and correct to the best of his information, knowledge and belief.


Justin Kersey

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 15th day of July, 2025.


Notary Public



My Commission Expires: 02-17-2028

Notary ID No. 832818

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF FAYETTE)


William A. Lewis

Molly McCleese Van Over
Notary Public

Notary ID: KYNP26988

VERIFICATION

STATE OF ILLINOIS

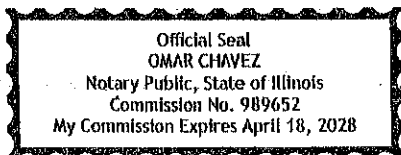
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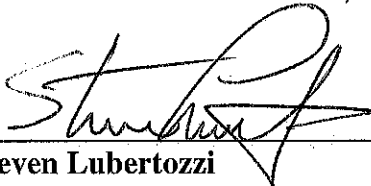
) **SS:**

COUNTY OF COOK

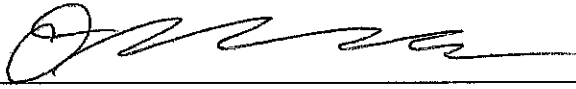
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The undersigned, Steven Lubertozi, being duly sworn, deposes and says that he is the President of Water Service Corporation of Kentucky, that he has personal knowledge of the matters set forth in Water Service Corporation of Kentucky's responses to the Second Request for Information, and that they are true and correct to the best of his information, knowledge and belief.




Steven Lubertozi

Subscribed and sworn to before me, a Notary Public in and before said County and State,
this 15th day of July, 2025.


Notary Public

My Commission Expires: April 18, 2028

Notary ID No. 989652