COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC APPLICATION OF KENTUCKY-	**)**	
AMERICAN WATER COMPANY FOR A	**)**	
CERTIFICATE OF PUBLIC CONVENIENCE	**)**	**CASE NO. 2025-00240**
AND NECESSITY TO INSTALL	**)**	
ADVANCED METERING INFRASTRUCTURE	**)**	

DIRECT TESTIMONY OF ROBERT BURTON

July 11, 2025

INTRODUCTION

Q. Please state your name and business address.

A. My name is Robert Burton and my business address is 2300 Richmond Rd, Lexington, KY 40502.

Q. By whom are you employed and in what capacity?

A. I am employed by Kentucky-American Water Company ("Kentucky-American," "KAWC" or "Company") as President.

Q. Please describe your business experience.

A. From 1992 to 2010, I held various roles of increasing responsibility for water and wastewater utilities. I joined American Water Works Company, Inc. ("American Water") Military Services Group in 2010, and I previously served for four years as General Manager of that company's Fort Belvoir, VA and Fort Meade, MD water and wastewater systems. In 2014, I was promoted to Director of Military Operations for American Water's Military Services Group. In that role I oversaw the operations of the group's water and wastewater operations at 11 military bases. From 2015 through 2019, I served as Sr. Director of Operations for Pennsylvania-American Water Company. In that role I was responsible for providing reliable water and wastewater service to more than 865,000 people in the company's central, northeast, and southeast divisions, overseeing more than 50 water systems, 10 wastewater systems and over 500 employees working in over 200 municipalities. In 2019, I was promoted to President of West Virginia-American Water. In that role I was responsible for all aspects of the Company's

business, including financial, operations (including production, distribution, customer service, engineering and capital investment planning), employee relations, environmental, and regulatory affairs. In January 2025, I was named President of Kentucky-American Water Company ("Kentucky-American, "KAWC" or "the Company". I also am a member of the American Water Works Association, and the Water Environment Association.

Q. Please describe your duties as President of KAWC.

A. As President of KAWC, I am again responsible for all aspects of the Company's business - financial, operations, employee relations, environmental, and regulatory affairs. In this role, I am ultimately responsible for assuring that the Company delivers high-quality water and wastewater services to our customers. This responsibility includes taking care to see that all activities of the Company are carried out in compliance with local, state and federal laws and regulations, and standards of good business practice.

Q. Have you previously testified before the Kentucky Public Service Commission?

A. Yes, I provided written testimony in the pending KAWC rate case (Case No. 2025-00122). I have also testified before West Virginia Public Service Commission and the Pennsylvania Public Utility Commission.

Q. Please describe the purpose of your testimony.

A. The purpose of my testimony is to describe the benefits of moving to advanced metering infrastructure ("AMI") from a community, customer, operations, and

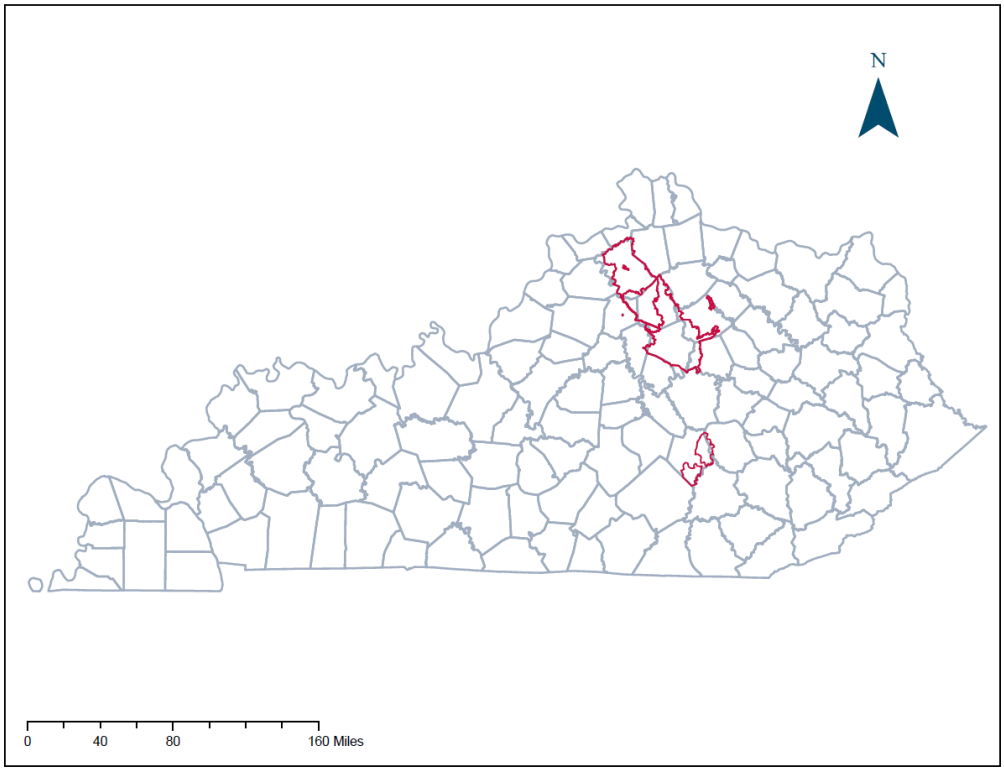
efficiency perspective, and express my overall support for the Company's AMI Plan, as set forth in Exhibit A to the Petition.

Q. Please describe the areas KAWC serves.

A. KAWC supplies water and/or wastewater services, and public and private fire service, to customers in Lexington and portions of Bourbon, Clark, Fayette, Franklin, Gallatin, Grant, Harrison, Jackson, Jessamine, Nicholas, Owen, Rockcastle, Scott and Woodford Counties. A map of KAWC's service territory is provided in Exhibit A, Figure 10.

Kentucky-American Water Service Area (indicated in red)

Figure 10



BENEFITS OF AMI

Q. Please describe the benefits AMI offers to a customer who has an AMI meter.

A. AMI offers customers the ability to monitor their water usage in near real time, which in turn enables customers to make informed decisions about their water usage that will help them control their water bills. This is a particularly useful tool for our lower income customers who may experience challenges paying their water bill. Armed with timely data about how they use water, they can make decisions about their water use to help control what they ultimately pay that month. The additional information AMI provides also improves the customer service experience when a customer contacts the Company with a question or concern. In addition to providing the customers and the customer service representatives additional data, AMI technology can also provide customer alerts and alarms associated with excessive usage that can help detect leaks on the customer side of the meter.

Q. Does the Company also experience benefits from AMI?

A. Yes. The Company expects numerous benefits from AMI technology, all of which also provide benefits to our customers. In addition to providing customers with near real-time data about their water usage and enhanced customer service, the Company expects to improve safety and operational efficiency by shifting employees from meter reading to higher value work, reduce our environmental impact by rolling fewer trucks, increase billing accuracy and reduce the likelihood

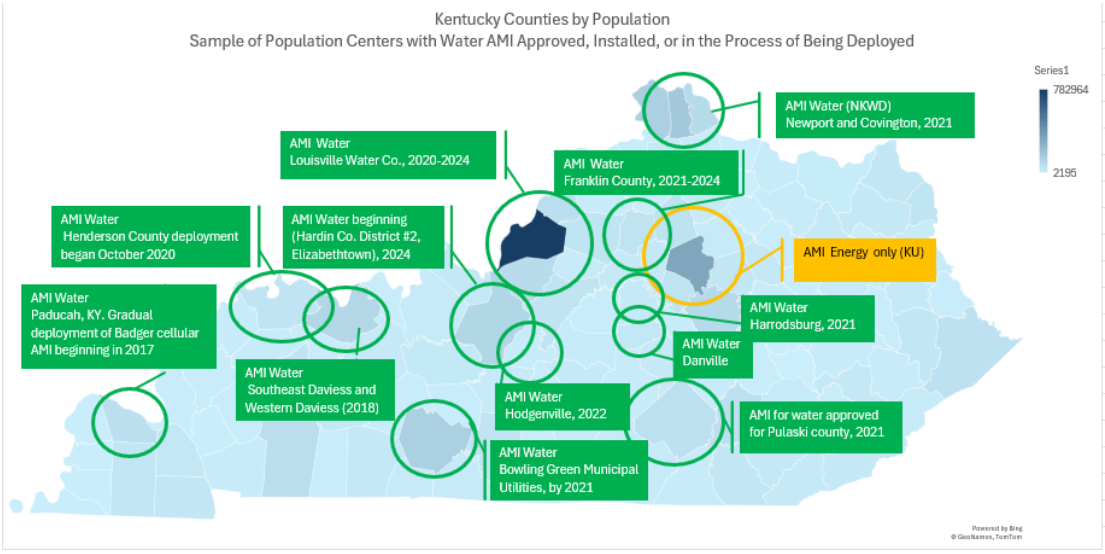
of estimated bills, and assist in addressing unaccounted for water. Witness Justin Sensabaugh will discuss the benefits of AMI in greater detail in his testimony.

AMI LANDSCAPE SURROUNDING KENTUCKY-AMERICAN

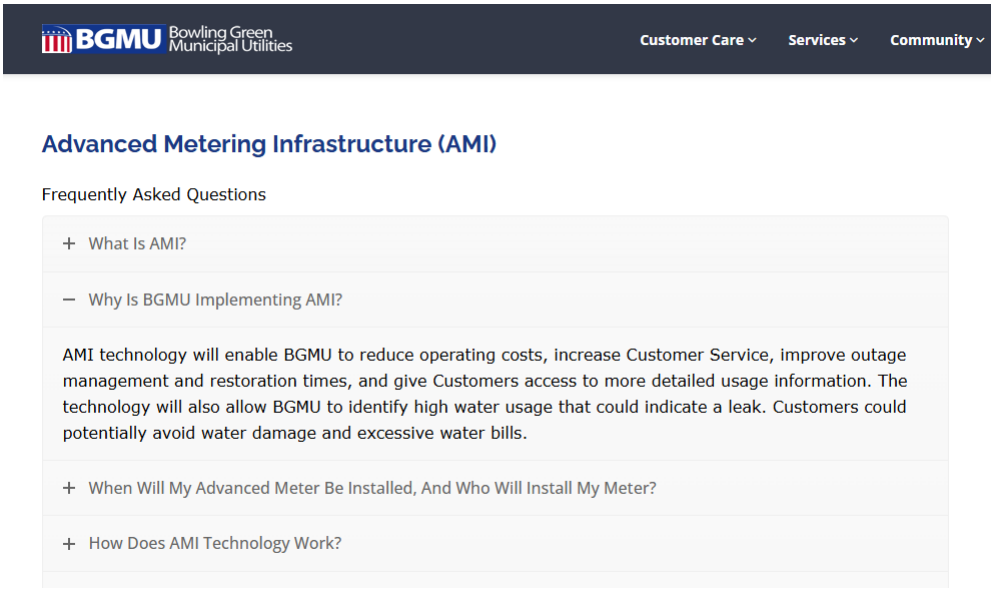
Q. Please describe the extent to which water utilities utilize AMI in Kentucky.

A. The distribution of water utilities that utilize AMI in the Commonwealth of Kentucky are extensive, a sample of which are shown below.[1]

[1] North to South, West to East: **Northern Kentucky (Covington, Newport):** [1] https://psc.ky.gov/pscscf/2021%20Cases/2021-00095//20210922_PSC_ORDER.pdf; **Greater Louisville:** https://louisvillewater.com/news/advanced-metering-installations-reach-halfway-point/ (2023), https://louisvillewater.com/news/ami-update-reaching-new-milestones/; **Franklin County/Frankfort**: https://fpb.cc/ami; **Greater Lexington/KU** : https://experience.arcgis.com/experience/1659773d752048b5a2c99f518d449328**;** **Henderson**: https://www.hkywater.org/DocumentCenter/View/104/HWU-Strategic-Plan-for-Capital-Spending-Water---Wastewater---Stormwater-PDF; **Western Davies**: https://psc.ky.gov/pscscf/2017%20Cases/2017-00459//20180227_PSC_ORDER.pdf; **Southeast Davies**: https://psc.ky.gov/pscscf/2017%20Cases/2017-00458//20180227_PSC_ORDER.pdf; **Elizabethtown**: https://www.hcwd2.org/wp-content/uploads/2024/07/June-Minutes-2024.pdf; **Hodgenville**: https://usgwater.com/wp-content/uploads/2024/03/CS_Metering_Hodgenville_KY_USG_2023.pdf**;** **Harrodsburg:** https://waterfm.com/oldest-city-in-kentucky-implements-ami-project/#:~:text=As%20water%20utilities%20continue%20to%20realize%20the,City%20of%20Harrodsburg%2C%20Kentucky%2C%20has%20undertaken%20a; **Danville:** https://www.danvilleky.gov/faq.aspx?TID=22 **;Paducah**: https://www.pwwky.com/eyeonwater/; **Bowling Green**: https://www.bgmu.com/customer-care/advanced-meters/#when-will-my-advanced-meter-be-installed-and-who-will-install-my-meter; **Pulaski County (Southeastern Water):** https://psc.ky.gov/pscscf/2021%20Cases/2021-00222/20210812_PSC_ORDER.pdf



For example, Bowling Green Municipal Utilities[2] touts AMI on its website citing many of the same benefits KAWC seeks to offer to its customers:



[2] https://www.bgmu.com/customer-care/advanced-meters/#why-is-bgmu-implementing-ami

Louisville Water[3] also offers AMI to its customers, touts the benefits that AMI provides, and highlights the progress it has made installing AMI in its service area:

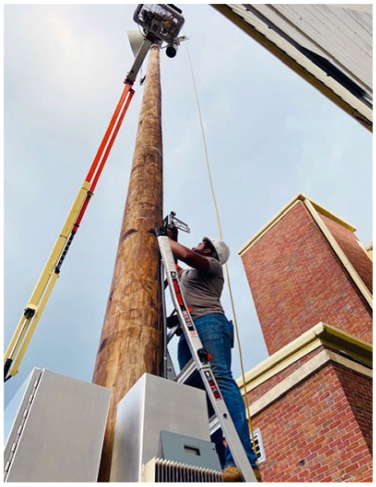
AMI Update: Reaching New Milestones

February 8, 2024

Why is 96.44% a significant number?

Because it shows the progress Louisville Water is making on the Advanced Metering Infrastructure (AMI) project, which began in 2020 and is well on its way to making sure all our customers benefit from advanced meters.

These meters have wireless communication capabilities to send data to Louisville Water receivers, which means advanced meters facilitate monthly billing and make it easy for customers to monitor their water consumption through the Pure Connect portal.



A contractor installs an AMI receiver.

Before we explain the significance of 96.44%, consider the milestones that Louisville Water reached in the project last year: 103,846 AMI endpoints were installed for a total of 238,137 since the project began. This means more than two thirds of our customers now have advanced meters. We also converted 73,465 Jefferson County customers to monthly billing in 2023, for an overall total of 144,331 customers — about half — now receiving monthly bills. (Louisville Water is currently in the planning stage to expand the AMI project to Oldham and Bullitt County customers.)

Occasionally, the weather can be a challenge for the AMI project team. If we have extreme weather

If electric and gas utilities are included in the count of utilities in Kentucky that provide service to their customers through AMI, then the number of utilities utilizing AMI climbs even higher and their reasons for doing so are the same as the reasons KAWC seeks to deploy AMI: the benefits AMI provides to both customers and operations.

[3] https://louisvillewater.com/news/ami-update-reaching-new-milestones/.

Q. Do the customers in surrounding areas that have access to AMI have an advantage over customers who do not have access to AMI?

A. Yes, there is a significant advantage to customers who have access to AMI technology.

Q. Do KAWC customers experience that advantage?

A. No, they do not. It is in the long-term best interest of our customers to provide them with AMI technology as the Company replaces aging meters. Installing AMI meters when old meters are replaced is the right thing to do for our customers because failing to do so puts those customers ten years behind customers who have AMI installed. While in years past, AMI was considered the future of the industry, today AMI is present and deployed across the Commonwealth and the country. As a company, why would we not want our customers to have the same resources and information as customers of other utilities in the Commonwealth are afforded? It is just as important for our customers to have the tools and information AMI provides, including the ability to monitor and control their water consumption, as it is for the customers of other utilities in the Commonwealth.

Q. Are customers in KAWC's footprint at a comparative disadvantage when compared to surrounding areas?

A. Yes. AMI meters are more informative and help provide more effective and efficient service to customers. AMI is also the standard that utilities have installed or are moving towards throughout the country. It makes no sense to disadvantage

KAWC's customers by installing technology that does not provide the same level of service that customers of other utilities across Kentucky receive.

Q. Please describe the nature of that disadvantage.

A. To not have the tools and information AMI provides means that customers do not have the ability to monitor and control their water usage; they do not have the ability to detect leaks before an unexpected high bill and possible property damage occur; and they do not have the advantage of vastly increased data when working with the Company's customer service representatives. All of those are disadvantages that a customer will experience if the Company installs technology that is outdated and obsolete. Information is power, which has become increasingly important to our customers and important to the Company, as well.

Q. Are there other disadvantages customers without access to AMI technology may experience?

A. Yes. From an economic development standpoint, commercial and industrial customers who are served without AMI do not have the same ability to see and control the water use component of their operations or to manage their water consumption. This is especially important in industries that use water as a critical component of their operations or business. To a business that is making a decision about where to locate its operations, that could be an important decision point, especially for a large user of water.

CURRENT METERS

Q. You earlier described the benefits AMI technology provides to customers of surrounding utilities in Kentucky; can KAWC meet the same level of service AMI technology provides with its existing meters?

A. No. The current meters installed throughout the Company's service territory (with the exception of a very small amount of AMI meters installed in commercial accounts) operate on advanced meter reading ("AMR") technology.

Q. How are AMR meters different?

A. AMR meters communicate with a transmitter that allows a meter reading device to read the meter by scanning it or by driving a vehicle equipped with a meter reading device past the meter to collect the read. Because AMR requires a meter reading device to drive by to gather data, AMR meters only provide a single meter reading per month instead of meter reading data as frequently as 96 times per day as is possible with AMI meters. Without the increased data that AMI meters provide, none of the benefits AMI meters provide are possible.

Q. Are KAWC's current meters obsolete?

A. A meter that is beyond its length of service ("LOS") or that has failed is obsolete from an operations perspective. Such a meter must be replaced to continue providing accurate service to the customer and to provide the Company with accurate billing data.

Q. Does KAWC's meter replacement schedule create wasteful duplication of meters?

A. No. As discussed above and in witness Sensabaugh's testimony, the meters that are being replaced in the normal course business have either failed or have reached the end of their useful lives. In other words, the meter was going to be replaced whether with an AMR meter or an AMI meter.

METER REPLACEMENT PLAN

Q. Is KAWC currently replacing meters?

A. Yes. As witness Sensabaugh will discuss in more detail in his testimony, the Company is constantly replacing meters.

Q. Please describe how the Company decides to replace a water meter.

A. The Company replaces meters if they fail or as they reach the end of the meter's LOS of ten years, per Kentucky's meter testing regulations.

Q. Has the Company attempted to extend the life of its meters?

A. Yes. The Company sought to extend the LOS to fifteen years in 2009 and was granted a deviation from the regulations to do so.[4] However, since that time the

[4] *In the Matter of Kentucky-American Water Company's Request for Permission to Deviate from 807 KAR 5:066, Section 16(1),* Case No. 2009-00253, Order October 5, 2011.

operations team has found that some meters fail prior to reaching the ten-year LOS and therefore require replacement.

Q. If the Company replaces a customer meter with a new AMR meter, how much time will pass before a customer using that meter would be able to experience the benefits that an AMI meter provides?

A. Absent approval for AMI in this case, that customer may not have the benefit of AMI technology for a full decade.

COST/BENEFIT ANALYSIS

Q. Has KAWC considered the cost associated with installing AMI meters?

A. Yes. The Company performed a cost / benefit analysis regarding deploying AMI meters. Company witness Krista Citron discusses the findings of that analysis in her testimony.

Q. What did the cost / benefit analysis reveal regarding the installation of AMI in Kentucky?

A. The cost / benefit analysis revealed that over the course of 20 years, the cost per customer to switch from AMR to AMI meters is approximately $0.11 per month for an average residential customer. In other words, the incredible value that AMI technology offers to KAWC customers and to KAWC from an operational efficiency perspective comes at a negligible cost per customer.

CONCLUSION

Q. What are you asking the Commission to determine in this proceeding?

A. I am asking the Commission to conclude that the Company's implementation of AMI in the normal course of business is in the best long-term interest of KAWC customers. It will replace obsolete metering technology without creating wasteful duplication. The implementation of AMI will create substantial benefits for both customers and the Company, benefits that many other customers and utilities throughout the state of Kentucky already experience and have come to expect, and it does so with a minimal incremental impact on customers. For all of these reasons, as well as those further articulated by Mr. Sensabaugh and Ms. Citron and set forth in Exhibit A, I urge the Commission to approve the Company's CPCN.

Q. Does this conclude your testimony?

A Yes.

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF FAYETTE)

The undersigned, Robert Burton, being duly sworn, deposes and says that he is the President of Kentucky-American Water Company, that he has personal knowledge of the matters set forth in the accompanying testimony for which he is identified as the responsible witness, and that the answers contained therein are true and correct to the best of his information, knowledge and belief.

Robert Burton

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 8th day of July, 2025.

Molly McCleese Van Over
Notary Public

My Commission Expires:

July 31, 2029

Notary ID: KYNP26988