KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2025-00240
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Witness: Dominic DeGrazia

1. State whether any other American Water Works Company, Inc. (American Water) regulated subsidiaries have received approval from their respective Public Utility Commission in the deployment of AMI. If so, provide the subsidiary and the approving jurisdiction.

Response:

Each American Water regulated subsidiary has deployed or is deploying AMI technology for the benefit of their respective customers as well as for the operational benefits the technology affords the subsidiaries. No jurisdiction where American Water operates a regulated subsidiary except the Commonwealth of Kentucky has required a CPCN to do so. Instead, AMI has been deployed in the normal course of replacing meters as they reach their length of service, which has been implicitly approved in orders approving rate case settlements. For example, the California Public Utility Commission noted that "[w]e encourage Cal-Am to continue prudent AMI implementation and find the Settlement allows Cal-Am to do so."[1]

[1] *Decision Approving Partial Settlement and Adopting Rates for California-American Water Company's Test Year 2024 General Rate Case*, Decision 24-12-025, pp. 29-30 (Dec. 9, 2024) (holding that California-American Water should continue to install AMI and that its decision not to accelerate said deployment did not amount to abandoning the project: "[Monterey Peninsula Water Management District] opposes Cal-Am's using a Length of Service (LOS) measure for its meter replacement program. MPWMD asserts that the LOS approach delays meter replacements and will result in customers not having access to instantaneous leak information for many years. MPWMD says expedited implementation of AMI should be authorized for Monterey as reasonable and in the public interest.").

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2025-00240
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Witness: Krista Citron

2. Provide a comprehensive 20-year cash flow analysis, comparing Automated Meter Reading (AMR) systems to Advanced Metering Infrastructure (AMI), and project the financial outcomes for Kentucky-American's current customer base, considering all relevant costs and benefits.

Response:

Refer to KAW_R_PSCDR1_NUM002_082925_Attachment A and KAW_R_AGDR1_NUM008_082925_Attachment A for the full cost-benefit analysis workpaper.

SCENARIO COMPARISON: ANNUAL COST OR (BENEFIT) TO CUSTOMERS - Nominal $

AMI		1	2	3	4	5	6	7	8	9	10	11	12	13	14
Scenario		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
1	AMI - BadgerVeriz or ATT	$ 174,814	$ 1,252,799	$ 2,294,623	$ 2,473,772	$ 2,288,631	$ 1,976,508	$ 1,787,314	$ 1,888,391	$ 2,702,587	$ 3,462,573	$ 3,212,834	$ 2,948,325	$ 3,173,250	$ 3,220,039
2	AMI - Neptune FirstNet	$ 232,349	$ 1,428,941	$ 2,582,160	$ 2,847,325	$ 2,693,698	$ 2,393,565	$ 2,233,980	$ 2,406,282	$ 3,394,637	$ 4,317,828	$ 4,134,791	$ 3,913,980	$ 4,179,492	$ 4,249,530
3	AMI - Neptune ATT	$ 294,910	$ 1,620,473	$ 2,894,820	$ 3,253,515	$ 3,134,155	$ 2,847,061	$ 2,719,672	$ 2,969,422	$ 4,147,152	$ 5,247,808	$ 5,137,300	$ 4,964,006	$ 5,273,650	$ 5,368,968
4	AMI - Neptune FirstNetw/ HE Fee	$ 232,349	$ 1,428,941	$ 2,582,160	$ 2,847,325	$ 2,693,698	$ 2,393,565	$ 2,233,980	$ 2,406,282	$ 3,394,637	$ 4,317,828	$ 4,134,791	$ 3,913,980	$ 4,179,492	$ 4,249,530
5	AMI - Average Cost*	$ 203,582	$ 1,340,870	$ 2,438,392	$ 2,660,548	$ 2,491,164	$ 2,185,036	$ 2,010,647	$ 2,147,337	$ 3,048,612	$ 3,890,201	$ 3,673,812	$ 3,431,152	$ 3,676,371	$ 3,734,784
5	AMI - Average Cost*	$ 203,582	$ 1,340,870	$ 2,438,392	$ 2,660,548	$ 2,491,164	$ 2,185,036	$ 2,010,647	$ 2,147,337	$ 3,048,612	$ 3,890,201	$ 3,673,812	$ 3,431,152	$ 3,676,371	$ 3,734,784

AMR		1	2	3	4	5	6	7	8	9	10	11	12	13	14
Scenario		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
1	AMR - BadgerVeriz or ATT	$ 172,568	$ 1,253,942	$ 2,304,172	$ 2,494,317	$ 2,329,416	$ 2,040,572	$ 1,875,923	$ 2,000,655	$ 2,835,750	$ 3,600,706	$ 3,890,292	$ 4,220,742	$ 4,520,253	$ 4,647,830
2	AMR - Neptune FirstNet	$ 62,935	$ 918,846	$ 1,757,693	$ 1,784,146	$ 1,559,120	$ 1,247,503	$ 1,026,607	$ 1,015,986	$ 1,519,268	$ 1,972,778	$ 2,134,927	$ 2,382,433	$ 2,605,205	$ 2,688,574
3	AMR - Neptune ATT	$ 63,001	$ 919,250	$ 1,758,527	$ 1,785,121	$ 1,560,088	$ 1,248,501	$ 1,027,680	$ 1,017,268	$ 1,520,774	$ 1,974,309	$ 2,136,419	$ 2,384,102	$ 2,607,129	$ 2,690,538
4	AMR - Neptune FirstNetw/ HE Fee	$ 70,958	$ 935,953	$ 1,783,058	$ 1,816,340	$ 1,593,050	$ 1,286,095	$ 1,069,774	$ 1,070,199	$ 1,593,478	$ 2,058,697	$ 2,223,298	$ 2,473,326	$ 2,698,693	$ 2,784,731
5	AMR - Average Cost*	$ 117,752	$ 1,086,394	$ 2,030,933	$ 2,139,232	$ 1,944,268	$ 1,644,037	$ 1,451,265	$ 1,508,321	$ 2,177,509	$ 2,786,742	$ 3,012,609	$ 3,301,587	$ 3,562,729	$ 3,668,202
5	AMR - Average Cost*	$ 117,752	$ 1,086,394	$ 2,030,933	$ 2,139,232	$ 1,944,268	$ 1,644,037	$ 1,451,265	$ 1,508,321	$ 2,177,509	$ 2,786,742	$ 3,012,609	$ 3,301,587	$ 3,562,729	$ 3,668,202

% of Value Mid

AMI Per Customer/Month	Customers	1	2	3	4	5	6	7	8	9	10	11	12	13	14
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
1 AMI - BadgerVeriz or ATT	139500	$ 0.10	$ 0.75	$ 1.37	$ 1.48	$ 1.37	$ 1.18	$ 1.07	$ 1.13	$ 1.61	$ 2.07	$ 1.92	$ 1.76	$ 1.90	$ 1.92
2 AMI - Neptune FirstNet		$ 0.14	$ 0.85	$ 1.54	$ 1.70	$ 1.61	$ 1.43	$ 1.33	$ 1.44	$ 2.03	$ 2.58	$ 2.47	$ 2.34	$ 2.50	$ 2.54
3 AMI - Neptune ATT		$ 0.18	$ 0.97	$ 1.73	$ 1.94	$ 1.87	$ 1.70	$ 1.62	$ 1.77	$ 2.48	$ 3.13	$ 3.07	$ 2.97	$ 3.15	$ 3.21
4 AMI - Neptune FirstNetw/ HE Fee		$ 0.14	$ 0.85	$ 1.54	$ 1.70	$ 1.61	$ 1.43	$ 1.33	$ 1.44	$ 2.03	$ 2.58	$ 2.47	$ 2.34	$ 2.50	$ 2.54
5 AMI - Average Cost*		$ 0.12	$ 0.80	$ 1.46	$ 1.59	$ 1.49	$ 1.31	$ 1.20	$ 1.28	$ 1.82	$ 2.32	$ 2.19	$ 2.05	$ 2.20	$ 2.23
5 AMI - Average Cost*		$ 0.12	$ 0.80	$ 1.46	$ 1.59	$ 1.49	$ 1.31	$ 1.20	$ 1.28	$ 1.82	$ 2.32	$ 2.19	$ 2.05	$ 2.20	$ 2.23

AMR Per Customer/Month	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
1 AMR - BadgerVeriz or ATT	$ 0.10	$ 0.75	$ 1.38	$ 1.49	$ 1.39	$ 1.22	$ 1.12	$ 1.20	$ 1.69	$ 2.15	$ 2.32	$ 2.52	$ 2.70	$ 2.78
2 AMR - Neptune FirstNet	$ 0.04	$ 0.55	$ 1.05	$ 1.07	$ 0.93	$ 0.75	$ 0.61	$ 0.61	$ 0.91	$ 1.18	$ 1.28	$ 1.42	$ 1.56	$ 1.61
3 AMR - Neptune ATT	$ 0.04	$ 0.55	$ 1.05	$ 1.07	$ 0.93	$ 0.75	$ 0.61	$ 0.61	$ 0.91	$ 1.18	$ 1.28	$ 1.42	$ 1.56	$ 1.61
4 AMR - Neptune FirstNetw/ HE Fee	$ 0.04	$ 0.56	$ 1.07	$ 1.09	$ 0.95	$ 0.77	$ 0.64	$ 0.64	$ 0.95	$ 1.23	$ 1.33	$ 1.48	$ 1.61	$ 1.66
5 AMR - Average Cost*	$ 0.07	$ 0.65	$ 1.21	$ 1.28	$ 1.16	$ 0.98	$ 0.87	$ 0.90	$ 1.30	$ 1.66	$ 1.80	$ 1.97	$ 2.13	$ 2.19
5 AMR - Average Cost*	$ 0.07	$ 0.65	$ 1.21	$ 1.28	$ 1.16	$ 0.98	$ 0.87	$ 0.90	$ 1.30	$ 1.66	$ 1.80	$ 1.97	$ 2.13	$ 2.19
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Badger AMI net of other solutions	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
vs. Badger AMR	$ 2,246	$ (1,142)	$ (9,549)	$ (20,546)	$ (40,785)	$ (64,064)	$ (88,609)	$ (112,265)	$ (133,163)	$ (138,133)	$ (677,459)	$ (1,272,418)	$ (1,347,002)	$ (1,427,791)
vs. Neptune AMR	$ 111,879	$ 333,953	$ 536,930	$ 689,626	$ 729,512	$ 729,004	$ 760,707	$ 872,405	$ 1,183,319	$ 1,489,795	$ 1,077,907	$ 565,892	$ 568,045	$ 531,465
vs. Neptune AMI	$ (57,535)	$ (176,142)	$ (287,537)	$ (373,553)	$ (405,067)	$ (417,057)	$ (446,666)	$ (517,891)	$ (692,050)	$ (855,255)	$ (921,957)	$ (965,655)	$ (1,006,242)	$ (1,029,491)

NPV of Cost or (Benefit)

AMI		1	2	3	4	5	6	7	8	9	10	11	12	13	14
Scenario		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
1	AMI - BadgerVeriz or ATT	$ 174,814	$ 1,161,397	$ 1,972,014	$ 1,970,868	$ 1,690,336	$ 1,353,303	$ 1,134,480	$ 1,111,187	$ 1,474,261	$ 1,751,027	$ 1,506,196	$ 1,281,350	$ 1,278,487	$ 1,202,686
2	AMI - Neptune FirstNet	$ 232,349	$ 1,324,688	$ 2,219,125	$ 2,268,480	$ 1,989,510	$ 1,638,860	$ 1,417,997	$ 1,415,930	$ 1,851,774	$ 2,183,531	$ 1,938,415	$ 1,701,027	$ 1,683,896	$ 1,587,201
3	AMI - Neptune ATT	$ 294,910	$ 1,502,246	$ 2,487,827	$ 2,592,094	$ 2,314,823	$ 1,949,366	$ 1,726,285	$ 1,747,299	$ 2,262,271	$ 2,653,822	$ 2,408,397	$ 2,157,371	$ 2,124,727	$ 2,005,312
4	AMI - Neptune FirstNetw/ HE Fee	$ 232,349	$ 1,324,688	$ 2,219,125	$ 2,268,480	$ 1,989,510	$ 1,638,860	$ 1,417,997	$ 1,415,930	$ 1,851,774	$ 2,183,531	$ 1,938,415	$ 1,701,027	$ 1,683,896	$ 1,587,201
5	AMI - Average Cost*	$ 203,582	$ 1,243,043	$ 2,095,570	$ 2,119,674	$ 1,839,923	$ 1,496,082	$ 1,276,238	$ 1,263,559	$ 1,663,017	$ 1,967,279	$ 1,722,305	$ 1,491,188	$ 1,481,192	$ 1,394,944
5	AMI - Average Cost*	$ 203,582	$ 1,243,043	$ 2,095,570	$ 2,119,674	$ 1,839,923	$ 1,496,082	$ 1,276,238	$ 1,263,559	$ 1,663,017	$ 1,967,279	$ 1,722,305	$ 1,491,188	$ 1,481,192	$ 1,394,944

NPV

AMR		1	2	3	4	5	6	7	8	9	10	11	12	13	14
Scenario		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
1	AMR - BadgerVeriz or ATT	$ 172,568	$ 1,162,456	$ 1,980,220	$ 1,987,237	$ 1,720,459	$ 1,397,167	$ 1,190,724	$ 1,177,247	$ 1,546,901	$ 1,820,881	$ 1,823,793	$ 1,834,346	$ 1,821,187	$ 1,735,967
2	AMR - Neptune FirstNet	$ 62,935	$ 851,809	$ 1,510,573	$ 1,421,439	$ 1,151,534	$ 854,158	$ 651,629	$ 597,837	$ 828,761	$ 997,636	$ 1,000,867	$ 1,035,412	$ 1,049,624	$ 1,004,184
3	AMR - Neptune ATT	$ 63,001	$ 852,183	$ 1,511,290	$ 1,422,216	$ 1,152,249	$ 854,842	$ 652,310	$ 598,591	$ 829,582	$ 998,410	$ 1,001,566	$ 1,036,137	$ 1,050,399	$ 1,004,917
4	AMR - Neptune FirstNetw/ HE Fee	$ 70,958	$ 867,668	$ 1,532,371	$ 1,447,089	$ 1,176,594	$ 880,582	$ 679,029	$ 629,738	$ 869,242	$ 1,041,085	$ 1,042,295	$ 1,074,915	$ 1,087,290	$ 1,040,098
5	AMR - Average Cost*	$ 117,752	$ 1,007,133	$ 1,745,397	$ 1,704,338	$ 1,435,996	$ 1,125,663	$ 921,176	$ 887,542	$ 1,187,831	$ 1,409,259	$ 1,412,330	$ 1,434,879	$ 1,435,406	$ 1,370,075
5	AMR - Average Cost*	$ 117,752	$ 1,007,133	$ 1,745,397	$ 1,704,338	$ 1,435,996	$ 1,125,663	$ 921,176	$ 887,542	$ 1,187,831	$ 1,409,259	$ 1,412,330	$ 1,434,879	$ 1,435,406	$ 1,370,075

SCENARIO COMPARISON: ANNUAL COST OR (BENEFIT)

AMI

Scenario		15 2040	16 2041	17 2042	18 2043	19 2044	20 2045	20-Yr Total
1	AMI - BadgerVeriz or ATT	$ 2,853,339	$ 2,340,182	$ 1,971,662	$ 1,942,809	$ 2,748,798	$ 3,508,881	$ 48,222,131
2	AMI - Neptune FirstNet	$ 3,865,581	$ 3,320,960	$ 2,935,409	$ 2,923,102	$ 3,828,018	$ 4,682,688	$ 62,564,315
3	AMI - Neptune ATT	$ 4,966,263	$ 4,387,429	$ 3,983,359	$ 3,989,043	$ 5,001,530	$ 5,959,051	$ 78,159,589
4	AMI - Neptune FirstNetw/ HE Fee	$ 3,865,581	$ 3,320,960	$ 2,935,409	$ 2,923,102	$ 3,828,018	$ 4,682,688	$ 62,564,315
5	AMI - Average Cost*	$ 3,359,460	$ 2,830,571	$ 2,453,535	$ 2,432,955	$ 3,288,408	$ 4,095,784	$ 55,393,223
5	AMI - Average Cost*	$ 3,359,460	$ 2,830,571	$ 2,453,535	$ 2,432,955	$ 3,288,408	$ 4,095,784	$ 55,393,223

AMR

Scenario		15 2040	16 2041	17 2042	18 2043	19 2044	20 2045	20-Yr Total
1	AMR - BadgerVeriz or ATT	$ 4,373,912	$ 3,959,034	$ 3,687,350	$ 3,748,715	$ 4,627,196	$ 5,462,703	$ 64,046,048
2	AMR - Neptune FirstNet	$ 2,447,400	$ 2,092,472	$ 1,853,311	$ 1,883,379	$ 2,573,345	$ 3,228,213	$ 36,754,142
3	AMR - Neptune ATT	$ 2,449,291	$ 2,094,319	$ 1,855,152	$ 1,885,320	$ 2,575,404	$ 3,230,241	$ 36,782,434
4	AMR - Neptune FirstNetw/ HE Fee	$ 2,546,302	$ 2,194,197	$ 1,957,940	$ 1,990,994	$ 2,684,033	$ 3,342,060	$ 38,173,177
5	AMR - Average Cost*	$ 3,410,656	$ 3,025,753	$ 2,770,331	$ 2,816,047	$ 3,600,271	$ 4,345,458	$ 50,400,095
5	AMR - Average Cost*	$ 3,410,656	$ 3,025,753	$ 2,770,331	$ 2,816,047	$ 3,600,271	$ 4,345,458	$ 50,400,095

% of Value Mid

AMI Per Customer/Month

Scenario		Customers	15 2040	16 2041	17 2042	18 2043	19 2044	20 2045	20-Yr Total
1	AMI - BadgerVeriz or ATT	139500	$ 1.70	$ 1.40	$ 1.18	$ 1.16	$ 1.64	$ 2.10	$ 28.81
2	AMI - Neptune FirstNet		$ 2.31	$ 1.98	$ 1.75	$ 1.75	$ 2.29	$ 2.80	$ 37.37
3	AMI - Neptune ATT		$ 2.97	$ 2.62	$ 2.38	$ 2.38	$ 2.99	$ 3.56	$ 46.69
4	AMI - Neptune FirstNetw/ HE Fee		$ 2.31	$ 1.98	$ 1.75	$ 1.75	$ 2.29	$ 2.80	$ 37.37
5	AMI - Average Cost*		$ 2.01	$ 1.69	$ 1.47	$ 1.45	$ 1.96	$ 2.45	$ 33.09
5	AMI - Average Cost*		$ 2.01	$ 1.69	$ 1.47	$ 1.45	$ 1.96	$ 2.45	$ 33.09

AMR Per Customer/Month

		2040	2041	2042	2043	2044	2045	20-Yr Total
1	AMR - BadgerVeriz or ATT	$ 2.61	$ 2.37	$ 2.20	$ 2.24	$ 2.76	$ 3.26	$ 38.26
2	AMR - Neptune FirstNet	$ 1.46	$ 1.25	$ 1.11	$ 1.13	$ 1.54	$ 1.93	$ 21.96
3	AMR - Neptune ATT	$ 1.46	$ 1.25	$ 1.11	$ 1.13	$ 1.54	$ 1.93	$ 21.97
4	AMR - Neptune FirstNetw/ HE Fee	$ 1.52	$ 1.31	$ 1.17	$ 1.19	$ 1.60	$ 2.00	$ 22.80
5	AMR - Average Cost*	$ 2.04	$ 1.81	$ 1.65	$ 1.68	$ 2.15	$ 2.60	$ 30.11
5	AMR - Average Cost*	$ 2.04	$ 1.81	$ 1.65	$ 1.68	$ 2.15	$ 2.60	$ 30.11
		$ -	$ -	$ -	$ -	$ -	$ -	$ -

Badger AMI net of other solutions	2040	2041	2042	2043	2044	2045	20-Yr Total
vs. Badger AMR	$ (1,520,574)	$ (1,618,851)	$ (1,715,688)	$ (1,805,906)	$ (1,878,398)	$ (1,953,822)	$ (15,823,918)
vs. Neptune AMR	$ 405,939	$ 247,710	$ 118,350	$ 59,430	$ 175,453	$ 280,668	$ 11,467,989
vs. Neptune AMI	$ (1,012,242)	$ (980,778)	$ (963,747)	$ (980,293)	$ (1,079,220)	$ (1,173,807)	$ (14,342,184)

NPV of Cost or (Benefit)

AMI

Scenario		15 2040	16 2041	17 2042	18 2043	19 2044	20 2045	20-Yr Total	First 10 Years	2nd 10 Years
1	AMI - BadgerVeriz or ATT	$ 987,970	$ 751,172	$ 586,707	$ 535,943	$ 702,960	$ 831,870	$ 23,459,030	$ 13,793,688	$ 9,665,342
2	AMI - Neptune FirstNet	$ 1,338,460	$ 1,065,991	$ 873,490	$ 806,366	$ 978,953	$ 1,110,152	$ 29,626,194	$ 16,542,244	$ 13,083,950
3	AMI - Neptune ATT	$ 1,719,572	$ 1,408,315	$ 1,185,328	$ 1,100,417	$ 1,279,059	$ 1,412,746	$ 36,332,188	$ 19,530,943	$ 16,801,245
4	AMI - Neptune FirstNetw/ HE Fee	$ 1,338,460	$ 1,065,991	$ 873,490	$ 806,366	$ 978,953	$ 1,110,152	$ 29,626,194	$ 16,542,244	$ 13,083,950
5	AMI - Average Cost*	$ 1,163,215	$ 908,582	$ 730,098	$ 671,155	$ 840,956	$ 971,011	$ 26,542,612	$ 15,167,966	$ 11,374,646
5	AMI - Average Cost*	$ 1,163,215	$ 908,582	$ 730,098	$ 671,155	$ 840,956	$ 971,011	$ 26,542,612	$ 15,167,966	$ 11,374,646

NPV

AMR

Scenario		15 2040	16 2041	17 2042	18 2043	19 2044	20 2045	20-Yr Total	First 10 Years	2nd 10 Years
1	AMR - BadgerVeriz or ATT	$ 1,514,470	$ 1,270,805	$ 1,097,245	$ 1,034,120	$ 1,183,330	$ 1,295,074	$ 28,766,197	$ 14,155,861	$ 14,610,336
2	AMR - Neptune FirstNet	$ 847,414	$ 671,660	$ 551,490	$ 519,549	$ 658,091	$ 765,331	$ 17,031,931	$ 8,928,311	$ 8,103,620
3	AMR - Neptune ATT	$ 848,068	$ 672,253	$ 552,038	$ 520,084	$ 658,617	$ 765,812	$ 17,044,566	$ 8,934,673	$ 8,109,892
4	AMR - Neptune FirstNetw/ HE Fee	$ 881,658	$ 704,313	$ 582,624	$ 549,235	$ 686,397	$ 792,321	$ 17,635,503	$ 9,194,356	$ 8,441,148
5	AMR - Average Cost*	$ 1,180,942	$ 971,233	$ 824,367	$ 776,834	$ 920,710	$ 1,030,203	$ 22,899,064	$ 11,542,086	$ 11,356,978
5	AMR - Average Cost*	$ 1,180,942	$ 971,233	$ 824,367	$ 776,834	$ 920,710	$ 1,030,203	$ 22,899,064	$ 11,542,086	$ 11,356,978

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2025-00240
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Witness: Justin Sensabaugh

3. Refer to the Direct Testimony of Robert Burton (Burton Direct Testimony), page 11, lines 8-14. Provide Kentucky-American's plan for analyzing the data captured data from the AMI meters as frequently as 96 times per day, or every 15 minutes. In the response, include the estimated number of new employees that will be needed to analyze and visualize data for customers and the anticipated salaries.

Response:

The addition of KY AMI (96 interval reads daily) will require 0 new employees to analyze and visualize data. The Corporate Meter Operations team will monitor and provide metrics to the local office as currently done for all American Water states.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2025-00240
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Witness: Dominic DeGrazia

4. Refer to the Direct Testimony of Justin Sensabaugh (Sensabaugh Direct Testimony), page 7, lines 1-2. State how Kentucky-American will treat the unrecovered net book value for all AMR meters that fail prior to reaching the end of their useful lives.

Response:

Kentucky-American notes that the retirement age of its metering infrastructure has no relationship to the deployment of AMI. Kentucky-American will only be installing AMI when metering equipment has reached the end of its useful life—not before. This maximizes the economic value of our assets for our customers.

That said, Kentucky-American will treat residual net book value from meter retirements the same way it does for other plant assets. The original cost will credit (or decrease) the Utility Plant in Service account and debit (or decrease) the Accumulated Depreciation reserve.

This method of retirement accounting smooths out the effects of assets lasting longer or shorter than expected. For example, the Company is targeting a ten-year life for its 5/8" meters. However, the majority of near-term meter replacements are for meters that have lasted longer than this. In fact, approximately 38,000 of the 52,000 meters targeted for replacement by 2027 are currently 11-15 years old. So, while some meters may fail prior to the end of their targeted ten-year life, others will have lasted longer.

Kentucky-American will use periodic depreciation studies to monitor and adjust the position of the accumulated depreciation reserve relative to the expected life and remaining useful life of the assets.

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Witness: Justin Sensabaugh

5. Refer to the Sensabaugh Direct Testimony, page 7, lines 7-8.

   a. For all AMR meters that have been replaced, due to failure, during the period of calendar year 2020 through the date of this request, provide the actual remaining useful life for each meter at the time of failure.

   b. For each meter removed for failure, identify whether the meter tested in acceptable range when tested upon removal.

   c. Provide the average remaining useful life for the existing AMR meters currently in service by county, where available.

Response:

   a. Meters removed due to failure have no remaining useful life and are replaced with a meter with useful life. This is the case for all meters. Whether a meter operates using AMR or AMI is determined by the type of endpoint connected to the meter.

   b. KAWC does not test removed meters.

   c. Average Remaining Life (Years) for the following areas of operation in KAW's service territory
      a. Lexington: 4.55
      b. Northern Division: 4.91
      c. Southern Division: 4.24

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Witness: Justin Sensabaugh

6. Refer to the Sensabaugh Direct Testimony, page 7, line 10, which identifies battery issues as a common cause of meters and/or endpoint failures impacting communication. Clarify the typical expected battery life for both AMR and AMI meters. Additionally, if specific data is available, provide the observed actual battery life of replaced failed meters for each technology.

Response:

Typical battery life for current AMR technology depends on meter life because batteries are inseparable from the communication module. Current meter life is expected at a 10 year lifespan for 5/8'' meters.

See below for American Water operating Companies. Neither the Company nor American Water tracks this data for the water industry.

Average Meter Duration in Years by American Water State:

State	**Duration (Years)**
CA	12.5
IA	8.67
IL	8.64
IN	8.58
KY	9.59
MD	10.84
MO	11.13
NJ	8.68
PA	13.95
TN	11.17
VA	7.52
WV	8.77
Overall Average	10.13

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Witness: Justin Sensabaugh

7. Refer to the Sensabaugh Direct Testimony, page 7, lines 10-11. Explain the process for battery replacements for Kentucky-American's current AMR system.

Response:

The batteries are non-separable from the meter and sending unit (AMR). The current process for battery replacement is to replace the meter and MIU as whole units when necessary.

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Witness: Justin Sensabaugh

8. Refer to the Sensabaugh Direct Testimony, page 9, lines 18-20 and page 10, lines 1-2. Provide the annual or, if available, monthly leak detection data attributed to AMI versus AMR systems for Kentucky, as well as comparative data from other states where American Water operates, as it pertains to the presented benefits of AMI technology.

Response:

For unusually high use at a premise, both AMR and AMI technology is used to identify that high use as it may be indicative of a leak on the customer side of the meter. The benefit of AMI technology is that such high use can be detected much sooner rather than the once per month detection using AMR when it gets read once per billing cycle (typically 30 days). Using the AMI very frequent usage information, KAW will be able to learn of that high use (which may indicate a leak) and then alert the customer of the situation. Additionally, a customer will be able to know of their own high use if they have AMI technology and utilize information made available to them.

At this point, neither American Water nor KAW aggregates that information in a way to compare AMR scenarios to AMI scenarios for leak detection, but there is no question that AMI technology will greatly improve KAW's ability to identify high usage situations much more quickly which is a sign of a possible leak at the customer's premise.

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Witness: William A. Lewis

9. Refer to the Sensabaugh Direct Testimony, page 12. Provide a detailed breakdown of water loss data for Kentucky-American's service territory, categorized by county and customer type. Provide the requested information in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response:

KAW assumes that water loss refers to unaccounted for water (UFW).

The following table reflects the most recent monthly UFW results available.

Monthly UFW												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2025	21.35	8.00	24.65	30.35	13.39	23.46						

12-Month Rolling Average UFW												
Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2024	Aug 2024	Sept 2024	Oct 2024	Nov 2024	Dec 2024	12-mo. Ave
21.35	8.00	24.65	30.35	13.39	23.46	23.30	14.66	16.45	11.71	8.65	18.93	17.90

KAWC does not track UFW data by county or customer type. The unaccounted-for water loss calculation is simply total water produced or purchased for the calendar month, minus total water supplied (sold) for the calendar month, less any other accounted for usage for water production, maintenance, public fire, fire services, etc. While the total volume of water produced by KAWC is easily measured for a calendar month, KAWC meter reading (customer usage) as well as water purchased by KAWC and meter reading by the wholesale provider do not align with the calendar month due to meter reading cycles. This inconsistency can be seen by the month-to-month variance in unaccounted-for water totals. For this reason, KAWC continues to promote the use of a rolling 12-month average (as set forth in the second table provided in response to part (a) above) as the best approach to minimize the inconsistent variances month to month and to measure the directional trend of water loss over a longer period of time.

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Witness: Krista Citron

10. Refer to the Direct Testimony of Krista Citron (Citron Direct Testimony), pages 4-5. Explain what projected useful life was assumed for the AMI and AMR meters within the Cost-Benefit Analysis (CBA).

Response:

For both AMR and AMI meters, the CBA assumed a useful life of 10 years.

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Witness: Krista Citron

11. Refer to the Citron Direct Testimony, page 7, lines 19-20. Provide support for Kentucky-American using a 21 percent federal tax rate and 5 percent state tax rate. Further, state whether any future tax policy changes were considered in crafting these assumptions.

Response:

KAW's statutory federal tax rate is 21 percent and its statutory state tax rate is 5 percent, thus those were the figures utilized in the CBA.

No future tax policy changes were considered. Only current tax rates were used in the CBA.

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Witness: Krista Citron

12. Refer to the Citron Direct Testimony, page 7, line 22, and page 8, line 1.

    a. Provide the support for the estimated useful life for the AMI meter selected for installation by Kentucky-American.

    b. If the estimated useful life is different than 10 years, explain why a 10 percent depreciation rate in the cost benefit analysis (CBA) is acceptable.

Response:

a-b. Please see figure 12 in Exhibit A to the Application. More than 97% of the Company's meter stock is ⅝" or 1" in size, and both of these are scheduled for replacement at the age of ten years. The Company also has about 3,100 larger meters in the CBA study (1.5" and 2" sizes). These are tested more frequently but will remain in service if they are in good working order. The lids in the CBA study are not scheduled for replacement in the twenty-year period. So, while there are a mix of asset lives, the ten-year period matches the bulk of the assets and is used for the assumed depreciable life.

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Witness: Krista Citron

13. Refer to the Citron Direct Testimony, page 12, lines 11-13.

    a. State whether Kentucky-American considered any upgrades to its current AMR system that could provide the same benefits that AMI implementation would bring.

    b. Provide an estimate of the cost associated with upgrading the software for AMR systems, specifically including upgrades not involving a full transition to AMI but rather enhancements to existing AMR functionality.

Response:

a. AMI benefits are largely based on the meter's ability to send usage readings as opposed to AMR or manual-read meters, which require a physical drive-by or look to obtain usage readings. There is not a way to modify an AMR system to provide the same level of real-time data.

b. The benefits of an AMI system cannot be obtained as a result of a system upgrade. AMI benefits are obtained through the automated collection and increased amount of interval reads providing a more granular view of consumption.

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Witness: Justin Sensabaugh

14. Refer to the Application, Exhibit A, page 8-15.

    a. Explain if the adoption of AMI meters will improve the water loss percentage.

    b. Confirm that implementation of AMI meters by other American Water subsidiaries across the United States has shown significant improvements in water loss management and provide the related information in a table. If confirmed explain how any quantify the water loss improvements. If not confirmed, explain the response.

Response:

a. Water loss, as defined for the purpose of PSC reporting and company calculation, is water not delivered through a customer meter or accounted for other usage. AMI meters will improve the probability of finding a leak on the customer side of the meter earlier in the read cycle since AMI readings are taken more frequently than once per month as occurs with current AMR technology. This will allow the customer to improve their water loss with lower billed usage.

b. AMI technology enables the creation of District Metered Areas through the use of the interval read data unlocking the ability to identify leaks from the Supply Meters to Demand Meters. The deployment of a District Metered Area allowed another American Water subsidiaries to identify and resolve leaks within their system, lowering the difference of –47% to –13% from their Supply to Demand Meters.

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Witness: Krista Citron

15. Refer to the Application, Exhibit A, Page 29, Figure 20. Refer also to the Application in Case No. 2023-00191,[2] Exhibit A, Page 16, Figure 11.

    a. Confirm the information shown in Figure 20 reflects the amount for 2024. If confirmed, explain the differences in the amounts shown in Figure 20 and the amounts shown in Figure 11 in Case No. 2023-00191 for the same period. If not confirmed, provide the corrected date.

    b. Provide whether Kentucky-American is currently utilizing or planning to primarily use diesel trucks for meter reading activities, given that the current fuel price forecasts presented $3.55. If so, provide the specific operational advantages of diesel trucks compared to gasoline trucks for this purpose.

    c. Provide whether Kentucky-American utilizes Midwest regional fuel price forecasts provided by the Energy Information Administration (EIA) instead of, or in addition to, the broader US average when developing its projections for fuel expenses.

    d. Explain the approximate doubling of the current annual depreciation per vehicle compared to Case No. 2023-00191.

Response:

a.

Figure 11 in the Case No. 2023-00191 study and Figure 20 in the Case No. 2025-00240 study reflect the amounts used in the first forecasting period of the cost benefit analysis, or 2024 and 2026 respectively. The underlying data for these starting assumptions is based on actual balances and historical activity as shown below:

Item	Basis for Figure 11 (Case No. 2023-00191)	Basis for Figure 20 (Case No. 2025-00240)
Annual mileage & mpg for vehicle	Two-year average of 2021 and 2022	Two-year average of 2023 and 2024
Fuel cost per gallon	EIA forecast in 2023	EIA forecast in 2025 (see part c below)
Annual maintenance	Two-year average of 2021 and 2022	Two-year average of 2023 and 2024
Average net book value	As of March 2023	As of March 2025

[2] Case No. 2023-00191, *Electronic Application of Kentucky-American Water Company for an Adjustment of Rates, A Certificate of Public Convenience and Necessity for Installation of Advanced Metering Infrastructure, Approval of Regulatory and Accounting Treatments, and Tariff Revisions (filed June 30, 2023.*

Current annual depreciation	As of March 2023	As of February 2025

b. The meter reading and Field Service Representative (FSR) trucks utilized by KAW are unleaded gasoline vehicles, not diesel. At this time, KAW is not planning to switch to diesel trucks for this work.

c. For this CBA, KAW utilized the EIA's Annual Energy Outlook table price for Motor Gasoline in 2024, which was $3.55 when this data was accessed on March 5, 2025. To our knowledge, this data is national, not regional.

d. In comparing the figures in both exhibits, it appears that the annual depreciation per vehicle of $3,320 in Case No. 2023-00191 was an error caused by dividing heavy truck depreciation (instead of light truck depreciation) by the number of light trucks. The depreciation per light duty truck in that case should have been $5,943. A summary of corrected data is shown below.

	Sum of Deprec. per Year	# Light Duty Trucks	Deprec. per Vehicle
Case No. 2023-00191 as submitted	$242,334	73	$3,320
Case No. 2023-00191 corrected	$433,805	73	$5,943
Case No. 2025-00240	$554,268	80	$6,928

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Witness: Justin Sensabaugh

16. Refer to the Application, Exhibit A, page 16, Obsolescence and Wasteful Duplication.

    a. Provide a discussion regarding AMR technology, from a customer experience perspective, being obsolete.

    b. Provide whether Kentucky-American has substantial evidence that the existing AMR meters will either no longer be available or supported in the future. If evidence exists, provide the evidence, including any studies or workpapers that support the response.

    c. If Kentucky-American implements AMI, provide whether customers will have access to real-time, live usage data, or whether there will be a data latency period between its reception by Kentucky-American and its release for customer viewing on the website or through a customer portal.

Response:

a. When a meter reaches the end of its useful life or fails, that meter is obsolete from the perspective that it no longer functions accurately and must be replaced. Kentucky-American proposes to replace the meter that has reached the end of its useful life with a meter that provides increased functionality and that is the current state of the industry. Application, Exhibit A, page 16, paragraph 3 discusses two customer experience cases and the desire to change to AMI technology for that increased functionality. These customers have extensive water usage and need the additional data to further enhance their operations. AMR currently provides a single snapshot in time 30 days apart on a normal basis.
b. Meters alone are not designated as AMR nor AMI, as it is the endpoint attached to the meter that determines if the reading can be collected via AMR or AMI technology. AMR technology will continue to exist in the industry and will be deployed in areas where increased interval readings are not desired and better customer service and experience are not desired.
c. AMI customers will have access to interval consumption data, however there is currently a delay (approx. 48 hrs) in when the interval data is available in the customer portal. This delay is a result of our current integration with our vendors Head End Systems. American Water continues to seek innovative ways to improve in our vendor integrations to improve on this delay.

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Witness: Krista Citron

17. Refer to the Application, Exhibit A, Advanced Metering Infrastructure Plan, Page 5.

    a. Provide the current make, model, and age of the AMR technology that Kentucky-American currently utilizes.

    b. Provide all costs associated with uninstalling the AMR meters if Kentucky-American anticipates it will uninstall the current AMR meters and then install a new AMI meter.

    c. Provide all changes to the number of employees expected as a result of the transition from AMR to AMI.

Response:

a. For make and model, refer to KAW_R_PSCDR1_NUM026_082925. For the age of the current meters, refer to the workpapers submitted in KAW_R_AGDR1_NUM008_082925_Attachment A, specifically the "Data-Meters" tab.

b. The cost to uninstall an existing meter is considered part of the cost to install the new meter, regardless of technology type. There is no "additional cost" of uninstalling a meter when it has reached the end of its useful life or has failed before the end of its useful life.

c. There is no change to the number of employees expected as a result of the transition from AMR to AMI. The expectation is that benefits created by AMI can reduce certain demands on FSR/meter reader resources and thus free up bandwidth to support higher value work.

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Witness: Justin Sensabaugh

18. Refer to the Application, Exhibit A, Advanced Metering Infrastructure Plan, page 6.

    a. Explain how Kentucky-American plans to limit the amount of capital costs associated with AMI.

    b. Explain whether the cellular AMI is considered to be the most reliable option as compared to the least cost option.

Response:

a. Primarily, KAWC only intends to install AMI meters as part of its Periodic Meter Replacement Program—in other words, at the time that an existing AMR meter has failed or reached the end of its useful life, rather than as a wholescale system replacement. Additionally, KAWC plans to limit the amount of capital costs by purchasing products that have been priced through competitive, enterprise-wide negotiations with vendors. KAWC has also selected a brand that provides lower cost endpoints and meters. Additionally, KAWC will competitively bid third-party services for the installation of meters.

b. As discussed on pages 5 through 6 of Exhibit A to the Application, cellular AMI is expected to offer superior reliability and more timely, frequent accurate reads for customers service, compared to other options for metering. As shown in confidential Figure #21, on page #29of Exhibit A to the Application, cellular AMI offers the best cost net of benefit proposition in the long term. In the near term, prior to accrual of meter reading labor benefits, existing technology has a more favorable annual cost net of benefit figure, however cellular AMI is indeed expected to offer more reliability, due to the nearly constant availability of meter reading and customer usage data, compared to single snapshot AMR reads that must be obtained by sending a person into the field. Cellular AMI also offers numerous safety, customer service, operational efficiency and environmental benefits. These are discussed in many places in Application Exhibit A, but are especially on pages 3, 5, 6, 22, and 23.

Witness: Craig Dowell

19. Refer to the Application, Exhibit A, Advanced Metering Infrastructure Plan, page 23.

a. Provide a list of all vendors who received a request for information (RFI) from American Water.

b. Provide the form RFI and all responses to the RFI, whether evaluated or not. If not evaluated, provide a reason the response was excluded.

c. Provide the criteria by which all the RFI responses were evaluated as well as any scoring metric utilized by Kentucky-American or American Water.

d. Provide the minimum criteria requirements American Water utilized to determine which vendors were selected to move forward to the request for proposal (RFP) process.

e. For each vendor not selected to move forward in the selection process, explain, in detail, the reasoning for the exclusion.

f. Provide the scoring and ranking rubric for all responses in the RFI and RFP process with all comments and scores from the evaluators.

g. Explain in detail how the RFP was publicized and provide copies of notices for the RFP.

Response:

a.

Aclara	Metron
Badger	Mueller
Diehl	Neptune
Itron/Diehl	Sensus
Itron	Subeca
Kamstrup	Zenner
Master Meters	

b. Some of the responsive documents are confidential and some are not. See KAW_R_PSCDR1_NUM019_082925-Attachment_1 and KAW_R_PSCDR1_NUM019_082925-Attachment_1_CONFIDENTIAL which is being provided pursuant to a petition for confidential protection.

c. See KAW_R_PSCDR1_NUM019_082925-Attachment_2_CONFIDENTIAL. This attachment is confidential and provided pursuant to a petition for confidential protection.

d. See KAW_R_PSCDR1_NUM019_082925-Attachment_3_CONFIDENTIAL. This attachment is confidential and provided pursuant to a petition for confidential protection.

e. See KAW_R_PSCDR1_NUM019_082925-Attachment_4_CONFIDENTIAL. This attachment is confidential and provided pursuant to a petition for confidential protection.

f. See KAW_R_PSCDR1_NUM019_082925-Attachment_5_CONFIDENTIAL. These attachments are confidential and provided pursuant to a petition for confidential petition.

g. The two vendors selected to participate in the RFP process were notified utilizing the COUPA Sourcing Application.

See KAW-R-PSCDR1-NUM019_082925-Attachment_6_CONFIDENTIAL. These attachments are confidential and provided pursuant to a petition for confidential petition.

Attachments 1-6 are being provided in .zip folders for both the confidential and non-confidential documents.

Also see the response to AG 1-31.

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Witness: Krista Citron

20. Refer to the Application, Exhibit A, Advanced Metering Infrastructure Plan, page 27. Explain whether Kentucky-American's labor costs for meter readers will decrease if the Commission grants a CPCN for AMI.

Response:

Although KAWC expects full-time meter reading positions to decrease with the full implementation of AMI metering, those positions will be redeployed in other areas of need. Furthermore, meter reading benefits from implementing AMI technology were modeled to begin when the system is nearly fully converted to AMI after a full 10-year normal periodic replacement cycle, not immediately following a CPCN approval. The expectation is that benefits created by AMI can reduce certain demands on FSR/meter reader resources and thus free up bandwidth to support higher value work, such as greater completion of service orders.

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Witness: Justin Sensabaugh

21. Refer Case No 2022-00299.[3] Refer to Kentucky-American's response to the Attorney General's First Request for Information, Item 4. Refer also to Sensabaugh Direct Testimony, page 7.

    a. Explain why, if as stated in that response, Kentucky-American does not track a failure of a meter to read as a basis for replacement, Kentucky-American can use failure rates of meters as a basis for this request.

    b. If Kentucky-American tracks reasons for meter replacements, provide the basis for meter replacements for all meters replaced for calendar year January 2023 through the date of this request, including the date of the replacement and the number of meter failure occurrences before replacement. If Kentucky-American does not track a reason for replacement, explain how Kentucky-American identifies meters to be replaced.

Response:

a. KAWC does not track a failure of a meter to read as a basis for replacement due to environmental factors such as weather. When the meter reader obtains the manual read, when needed, at that point it is determined what issue is causing the meter not to communicate to our read system. Sometimes cold, wet, or other conditions can cause a temporary need to manually read the meter. Failure codes, physical damage, length of service, or transmission failure are thus tracked as a basis for meter replacement.

b. Please see the section of Application Exhibit A titled "KAWC's Schedule Periodic Meter Replacement Program", found on pages 18-21 of that exhibit. Within that section, please also refer to Figure 12 on page 19, which summarizes the various practices for meter testing and replacement, which vary by meter size. The paragraph that immediately follows Figure 12 discusses the going forward plan for scheduled periodic replacement of 5/8" meters.

[3] Case No. 2022-00299, *Electronic Investigation of Kentucky-American Water Company's Alleged Violation of a Tariff and Commission Regulations Regarding Meters And Monitoring Customer Usage.*

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Witness: Justin Sensabaugh

22. Provide any instances since January 2023 through the date of this request when a single customer received an estimated bill for more than two consecutive months. In each instance, provide the name, address, and number of consecutive months of estimate billing as well as whether or not the estimated read was the result of a meter's failure to respond to the radio read signal.

Response:

Please see attachment KAW_R_PSCDR1_NUM022_082925_Attachment. This attachment is confidential and is being provided pursuant to a petition for confidential protection.

Since 2023, KAW has changed over 64,000 meters in order to help solve the consecutive estimate issue along with our normal length of service (LOS) changes that are currently at 10 to 15 years.

As of the end of July 2025, Kentucky American's meter reading percentage has held steady at over 98% for the first attempt and we anticipate it to stay that way. Please see the chart below for the estimated reads. The "row labels" row shows the number of consecutive estimates (2, 3, 4, 7, 10, and 18). The numbers below those estimates show the number of meters at that estimate level. For example, there are 5 commercial meters in the KY Central area that have had 3 consecutive estimates.

This chart shows that, as of August 1, 2025, KAW only has 31 (19 + 6 + 3 + 2 + 1 = 31) meters that have an estimated read at 3 months or over. This represents 0.022% of all active meters in the KAW system. In January of 2023, KAW had 990 meters that had an estimated read at 3 months or over. This reduction is a testament to the attention and dedication to eliminating and maintaining consecutive estimate reads over 2 months.

Count of city	Column Labels						
Row Labels	**2**	**3**	**4**	**7**	**10**	**18**	**Grand Total**
KY Central Water: Com	19	5	2	1		1	**28**
KY Central Water: OPA	1	2	3	2	2		**10**
KY Central Water: Private Fire Service	7	3					**10**
KY Central Water: Res	19	7	1				**27**
KY Northern Water: RES Mo	2						2
KY Central Water: RES w/o KRA Fee	1						1
KY Central Water: Ind		1					1
KY: North Middletown WT Com Mo w SS		1					1
Grand Total	**49**	**19**	**6**	**3**	**2**	**1**	**80**

KAW_R_PSCDR1_NUM022_082925_Attachment_CONFIDENTIAL FILED UNDER SEAL PURSUANT TO THE PETITION FOR CONFIDENTIAL TREATMENT FILED ON AUGUST 29, 2025

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Witness: Justin Sensabaugh

23. Refer to Item 22 in this request. For each estimated customer billing between January 2023 through the date of this request due to failure of the MIU to transmit data to the radio read receiver, or a zero usage, provide the date and time an attempt was made to manually read the meter and the reason the utility was unable to read the meter.

Response:

Please see KAW_R_PSCDR1_NUM023_082925_Attachment.

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Witness: Justin Sensabaugh and Craig Dowell

24. Confirm whether Kentucky-American or American Water has performed an Internal Customer Meter Audit for 2024. If confirmed provide the study or report. If not confirmed, explain whether any customer meter study by the companies has been performed in the last three years.

Response:

No, KAWC has not performed an Internal Customer Meter Audit for 2024. While the Company did not complete a formal customer meter study in the past 3 years, American Water continuously monitors devices not performing as expected throughout our entire footprint, as well as performing RFI/RFP with multiple meter vendors (as stated in response to Item No. 19) to ensure that we are utilizing the right solution.

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Witness: Justin Sensabaugh

25. Refer to Case No. 2025-00171.[4] If the Commission approves the requested acquisition in that case, explain how that impacts the request in this case. Include in the response specific expense impacts as well as specific labor impacts.

Response:

The Company's current understanding is that the meters in Middlesboro are manual read only. As such, the Company expects to replace the meters in the Middlesboro area shortly after closing. The Company will have to fully evaluate the meters in the Clinton system following the closing to determine to extent to which they need to be replaced, if at all. The Company's current expectation is that they will be replaced in the normal course of business as length of service replacements. The Company has not yet estimated the cost of expected meter replacements associated with the acquisition of Water Service Corporation of Kentucky, but the Company does not expect any impacts on its labor other than the Company's commitment to retain Water Service Corporation of Kentucky's employees as stated in Case No. 2025-00171.

[4] Case No. 2025-00171, *Electronic Application of American Water Works Company, Kentucky-American Water Company, Nexus Regulated Utilities, LLC, and Water Service Corporation of Kentucky for Final Approval of the Transfer of Control of Water Service Corporation of Kentucky.*

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Witness: Justin Sensabaugh

26. Provide the number of meters of each make and model in use by Kentucky-American.

Response:

Make/Model	Number of Meters
Badger	**93935**
DS - RCDL DISC LEAD-	60941
EB - E-SERIES G2 ULT	22
EU - E-SERIES ULTRAS	1198
MODEL 25	23110
MODEL 55	2923
Model 61-672	244
RCDL DISC LEAD-FREE	5489
TS - TURBO SERIES LE	8
Hersey	**13283**
	13283
Master Meter	**185**
	1
Octave	184
Mueller	**1043**
420	946
450	76
452	13
	8
Neptune	**36425**
	13688
MACH-10	1542
T-10	21195
Sensus	**52**
	2
H32XXXXG8DT0XA2	3
MTR,SEN,HYD,GL,2.5 C	20
Omni	15
Omni C2	6
Omni H2 Meters	6
Grand Total	**144923**

KENTUCKY-AMERICAN WATER COMPANY
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COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Witness: Justin Sensabaugh

27. Since 2023 through July 2025, by month, provide the number of meters, including make and model, Kentucky-American has removed due to failure of the accuracy of the meter, not the MIU. Include in the response whether the meter was under warranty and whether Kentucky-American made a claim pursuant to that warranty.

Response:

Please see attachment KAW_R_PSCDR1_NUM027_082925_Attachment. Different manufacturers and models have different warranties that cover manufacturing defects and include prorated credits for replacement metering equipment. "Damage" rather than "defects" is generally excluded from warranty coverage, and historically, KAW has made a few warranty claims for metering equipment and received like kind meters or credits on future purchases with little to no financial impact on KAW or customers.

KENTUCKY-AMERICAN WATER COMPANY
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28. Confirm Kentucky-American has the technological infrastructure to support the AMI meters. If not, explain every technological upgrade Kentucky-American intends to implement and provide an approximate cost associated with the upgrade.

Response:

Confirmed.