KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2026-00094
GEORGETOWN MUNCIPAL WATER AND SEWER SERVICE'S
POST-HEARING REQUEST FOR INFORMATION

Witness: William A. Lewis

1. Refer to the hearing testimony of Mr. Lewis [10/13/26 HVT ca. 11:40:27-11:41:30 A.M.] and to GMW Hearing Exhibit 3 (attached hereto), which consists of p.61 (*pumping and water statistics, part three*) from KAWC's 2024 and 2025 Annual Reports and lists both the City of Midway and the City of Versailles as having no limit (maximum or minimum) on their wholesale water purchases from KAWC.
   a. Confirm that the terms and conditions of KAWC's arrangements with the City of Midway and with the City of Versailles do not include a minimum or maximum usage amount.
   b. Produce the contract(s) with the City of Midway and the City of Versailles.

Response:

a. KAWC no longer has an active sale for resale agreement with the City of Midway. The agreement with the City of Versailles does not include a minimum or maximum usage amount. Please note the 16-inch water main extension project agreement with the City of Versailles includes a minimum project system delivery capacity to the City of 3 million gallons per day. There are no provisions in either KAWC's existing tariff or Commission rules that prevent KAWC from including special contract provisions including minimum and/or maximum volumetric daily/monthly usage limits, instantaneous flow restrictions, and other provisions as part of new future or renewed contracts and submitted to the Commission for approval.
b. KAWC no longer has an active sale for resale agreement with the City of Midway. Please see KAW_R_GMWSSHDR_NUM001_Attachment for a copy of the City of Versailles agreement.

THIS AGREEMENT, made and entered into this 25th day of August, 1975, by and between KENTUCKY-AMERICAN WATER COMPANY, a Kentucky corporation having its office at 2300 Richmond Road, Lexington, Kentucky (hereinafter sometimes called "COMPANY"), party of the first part, and THE CITY OF VERSAILLES, a Municipal corporation (hereinafter sometimes called "CITY"), party of the second part,

W I T N E S S E T H:

THAT, WHEREAS THE City wishes to purchase, upon the terms and conditions hereinafter set forth, a supplemental supply of water from the Company for resale by City to its existing customers; and

WHEREAS, the Company is willing to sell water, on the terms and conditions hereinafter stated, to the City for resale to inhabitants of the area now served by said City,

NOW, THEREFORE, in consideration of the mutual covenants of the parties hereto as hereinafter contained, it is hereby agreed by and between the parties hereto as follows, to-wit:

1. Company agrees to sell to City, and City agrees to purchase from Company, at the rates hereinafter mentioned, such quantities of water as the City may hereafter from time to time require, so long as the City's requirements do not create flows that will adversely affect the existing customers of the Company, said water to be furnished at one connection to the water mains of the Company at:

(1) A point on the Huntertown Road near the intersection of Gayborne Way in Woodford County,

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2. It is understood by the parties hereto that this supply of water shall be considered a supplemental or temporary supply, and that all cost of connections to mains, meter settings and related facilities are to be at the expense of the City.

3. It is further understood and agreed by the parties hereto that the Company shall not be required to provide uniform flows or maintain pressures to the City and that the City shall provide such elevated tanks or standpipes as may be necessary to provide adequate service to tis customers.

4. It is understood and agreed that the Company does not by this agreement undertake or contract that the service rendered to this connection shall include fire protection or sufficient quantities of water for fire extinugishment; and that the City is fully aware that if it or its customers desire fire protection or sufficient quantities for fire extinguishment, that the City must provide the same by the erection of elevated tanks, standpipes or ground storage with booster pumps for such service.

5. The obligation of the Company to supply water hereunder is further limited by the understanding that the Company shall undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuations in the supply of water, but that it cannot and does not guarantee or warrant that such interruptions and fluctuations will not occur, or that because of emergencies due to breaks, leaks, defects, construction or necessary repairs to its facilities, or causes by fires, strikes, acts of God, or other causes, there may not be period during which the supply may be curtailed or interrupted. In the event of such inter-

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ruptions or fluctuations, no liability of any nature shall be imposed upon the Company.

6. City agrees to pay to Company for water furnished under the terms of this agreement in accordance with the rates established by the Company from time to time and approved by the Public Service Commission of Kentucky, subject, however, to the minimum charge of a 2 inch meter. All statements rendered by the Company to City for water furnished under this agreement shall be paid at the offices of the Company within ten (10) days from date rendered. This agreement is specifically made subject to the Rules and Regulations of the Company as approved by the Public Service Commission of Kentucky, as the same now exist or may hereafter be amended.

7. If at any time hereafter any statement for water furnished hereunder is not paid within ten (10) days from date rendered, Company shall have the right to discontinue service hereunder.

8. The term of this agreement is limited to that time necessary for the City to complete planned construction to upgrade their facilities, completion of said construction being estimated at approximately one year from date of this contract. Either party may, however, cancel this contract by giving thirty (30) days written notice to the other party, and Company may at any time limit the amount furnished to the City in order to maintain adequate service for its existing customers.

9. In the event all or any part of the waterworks plant and facilities of the Company which are used in the furnishing of water hereunder are hereafter acquired by a municipal corporation or other governmental entity, then the Company shall be relieved of its obligations hereunder, and, in such event, this agreement shall be binding upon the municipality

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or governmental entity making such acquisition.

IN WITNESS WHEREOF, the parties hereto have caused their corporate signatures to be affixed hereto by their duly authorized officers, all the day and year first above written.

KENTUCKY-AMERICAN WATER COMPANY

BY: _____
Vice President

CITY OF VERSAILLES

BY: _____

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Witness: Chuck Rea

2. Refer to the hearing testimony of Mr. Rae in which he affirmed that no Sales for Resale volumes for Georgetown Municipal had been assumed in the cost of services study (COSS), then expressed uncertainty as to such volumes that might have been included and what 2023-2025 historical usage data showed about Sales for Resale volumes to Georgetown Municipal [10/13/26 HVT ca. 4:03:20-4:08:13 P.M.]:
   a. State the Sales for Resale volume and revenue in the base period in the Application, the base period update, and the Test Year. Explain how KAWC derived each figure.
   b. With respect to the volume and revenue provided in KAWC's response to subpart 2.a. above, provide the volume and revenue attributable to Georgetown Municipal in the base period in the Application, the base period update, and the Test Year. Explain how KAWC derived each figure.
   c. Confirm the volume and revenue for Sales for Resale and, within that category, for Georgetown Municipal that were used in the COSS and explain how KAWC derived each figure.
   d. Identify each COSS calculation – whether for the base period in the Application, the base period update, or the Test Year – for which zero (or no) Sales for Resale volumes to Georgetown Municipal were used.
   e. In performing the COSS, what volume(s) did KAWC assume for Georgetown Municipal? How did it determine the volume(s)?

Response:

a. Please see the table below for the requested information.

Sales for Resale revenue and volume reported in the Company's initial Base Period filing were based on actual billed results for September 2025 through February 2026 and projected results for March through August 2026. The projected results were developed using the billing-determinant forecasting methodology described on page 17 of Company witness Rea's direct testimony. The Company's Base Period Update reflects actual billed revenue and volume for the full base year. The forecasted Test Year included in the Base Period Update was developed using the methodology described on page 17 of Company witness Rea's direct testimony and pages 1–2 of his rebuttal testimony.

Period	Revenue	Volume (TGALS)
Base Period (Annualized at Present Rates)	$3,029,879	394,938
Test Period	$2,173,489	305,810

Base Period Update (Annualized at Present Rates)	$3,774,753	460,929
Base Period Update (Test Period)	$2,150,250	303,242

b. Please see the table below for revenues and usage specific for Georgetown Sales for Resale included with the Company's application.

Period	**Revenue**	**Volume (TGALS)**
Base Period (Annualized at Present Rates)	$61,139	5,700
Test Period	$49,011	4,241
Base Period Update (Annualized at Present Rates)	$484,710	56,696
Base Period Update (Test Period)	$25,771	1,673

c. Please refer to the tables provided in response to subparts a. and b. above for the Sales for Resale revenue and volumes included in the Application. The Company's class cost-of-service study included Sales for Resale volume of 305,810 thousand gallons and associated revenue of $2,173,489. Please refer to the Company's response to subpart a. above for an explanation of how the Sales for Resale volume and revenue were determined.

d. The Company's class cost-of-service study includes 4,241 thousand gallons attributable to Georgetown Municipal within the total Sales for Resale class volume of 305,810 thousand gallons.

e. Please refer to the Company's response to subpart d. above for the Sales for Resale volume attributable to Georgetown Municipal that was included in the Company's class cost-of-service study. The study also included 88 thousand gallons attributable to Georgetown Municipal in the total Public Authority volume. The methodology used to calculate Sales for Resale and Public Authority Test Year volume is described on page 17 of Company witness Rea's direct testimony.

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Witness: Chuck Rea

3. On the same topic as phDR #2 (above): For each additional 10,000 gallons of Sales for Resale usage projected for Georgetown Municipal in the Test Year (CY 2027), what is the effect on the Sales for Resale rate indicated by the cost of service study? Please show your calculations or provide all workpapers for your response.

Response:

Please see KAW_R_GMWSSHDR_NUM003_103026_Attachment for the impact of each additional 10,000 gallons of water on the proposed Sales for Resale rate.

KAWC
Proposed SFR Volumetric Revenue Recovery

Volumetric Revenue Recovery $ 1,981,834

2027 Forecast Year Volume	Usage TGAL	Proposed Rate (TGAL)	Revenue
BY Update Volume	226,830	8.7371	$1,981,834
+10,000 Gallons	226,840	8.7367	$1,981,834
+10,000 Gallons	226,850	8.7363	$1,981,834
+10,000 Gallons	226,860	8.7359	$1,981,834
+10,000 Gallons	226,870	8.7356	$1,981,834
+10,000 Gallons	226,880	8.7352	$1,981,834
+10,000 Gallons	226,890	8.7348	$1,981,834
+10,000 Gallons	226,900	8.7344	$1,981,834
+10,000 Gallons	226,910	8.7340	$1,981,834
+10,000 Gallons	226,920	8.7336	$1,981,834
+10,000 Gallons	226,930	8.7332	$1,981,834
+10,000 Gallons	226,940	8.7329	$1,981,834
+10,000 Gallons	226,950	8.7325	$1,981,834
+10,000 Gallons	226,960	8.7321	$1,981,834
+10,000 Gallons	226,970	8.7317	$1,981,834
+10,000 Gallons	226,980	8.7313	$1,981,834
+10,000 Gallons	226,990	8.7309	$1,981,834
+10,000 Gallons	227,000	8.7306	$1,981,834

*Excludes Special Contracts

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Witness: Chuck Rea

4. Refer to Mr. Rea's hearing testimony in which he stated in response to questions that he would have to check the tariff charges (current and proposed) for Bulk Sales service customers [10/13/26 HVT ca. 4:22:59-4:24:46 P.M.]:
   a. Confirm that Bulk Sales service customers are not charged a meter rate in either the current tariff or as proposed by KAWC in this rate case.
   b. State the number of monthly meter charges at each meter size that were included in the projected 2027 revenues for the Bulk Sales customer class in the cost of service study (COSS).
   c. State the Bulk Sales volumetric rate indicated by the COSS if no meter charge revenues were attributed to the customer class for the 2027 forecasted Test Year. Please show your calculations or provide all workpapers for your response.

Response:

a. Some Bulk Sales service customers are billed a meter charge, and some are not. Drive-up water trucks pay for water service at bulk service rates on the spot. No meter charges are charged for those customers. Other customers taking short term, bulk delivery, such as developers requesting hydrant meters, do pay monthly meter charges.
b. Please see the table below for the requested information.

Meter Size	Annual Meter Count	Average Monthly Meter Count
5/8-METER	180	15
1-METER	216	18
3-METER	348	29

c. Without meter-charge revenue, the 2027 Bulk Sales volumetric rate would be approximately $23.4827 per thousand gallons to recover the proposed $160,675. See KAW_R_GMWSSHDR_NUM004_103026_Attachment for the supporting calculation.

KAWC
Bulk Sales

Bulk Sales (Total)	Forecast Year	Forecast Year Revenue at Present Rates	Forecast Year Revenue at Proposed Rates
5/8-METER	180	3,580	0
3/4-METER	0	0	0
1-METER	216	10,681	0
1.5-METER	0	0	0
2-METER	0	0	0
3-METER	348	103,304	0
4-METER	0	0	0
6-METER	0	0	0
8-METER	0	0	0
Usage	6,839	38,227	160,675
QIP Revenue		0	0
Total Revenue		**$ 155,792**	**$ 160,675**

Bulk Sales (KYAC)	Forecast Year	Present Rates	Proposed Rates	Forecast Year Revenue at Present Rates	Forecast Year Revenue at Proposed Rates
5/8-METER	180	$19.89	$-	$3,580	$0
3/4-METER	0	$29.75	$-	$0	$0
1-METER	216	$49.45	$-	$10,681	$0
1.5-METER	0	$98.95	$-	$0	$0
2-METER	0	$158.40	$-	$0	$0
3-METER	348	$296.85	$-	$103,304	$0
4-METER	0	$494.85	$-	$0	$0
6-METER	0	$989.40	$-	$0	$0
8-METER	0	$1,583.05	$-	$0	$0
Usage	6,839	$5.5892	$23.4927	$38,227	$160,675
QIP Revenue				$0	$0
Total Revenue				$155,792	$160,675

No Meter Charge Scenario	
Revenue Target	$160,675
Volumetric Rate	$23.4927
Revenue Check	$160,675

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Witness: Rob Burton

5. Refer to Mr. Burton's 10/14/26 hearing testimony [HVT ca. 10:20:44-10:25:24 (*esp.* ca. 10:22:36 and 10:23:19), 10:33:20-10:33:28 A.M.] in which he refers to at least two "gating factors". Please list the gating factors mentioned in his testimony and explain what a "gating factor" is in the context of KAWC's internal decision-making about capital spending (or as otherwise applicable). List and describe any other such "gating factors" in KAWC's internal decision-making about capital spending (or as otherwise applicable).

Response:

Please refer to Mr. Burton's 10/14/26 hearing testimony [HVT ca. 10:22:00 – 10:23:00]. "Gating factors" were mentioned in the context of how the Company determines the level of its capital investment and the extensive planning and research that goes into the Company's capital plan, described in Company Witness Magner's testimony. While the need for capital investment and replacement of aging infrastructure has been more than the Company's actual capital investment made, there are "gating factors" that limit the Company's ability to make said investments. The mentioned "gating factors" to capital investment are the ability to attract capital funding whether through debt or equity for capital investment and the ability to keep rates affordable for KAWC customers. In this context, a "gating factor" is a factor or criterion that would limit the ability to make capital investments.