

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2026-00094
COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION

Witness: Robert Prendergast

1. Refer to the Direct Testimony of Robert Prendergast, page 7, lines 10-15. Explain why Kentucky-American used a three-year average rather than a five-year average or another period.

Response:

The Company utilized a three-year average of overtime hours for each individual position included in the rate case. The Company utilized the years 2023-2025, with an adjustment to the 2023 overtime hours to remove non-recurring projects that should not be included in the average. Using a three-year average allows the Company to calculate overtime more accurately on a position-by-position basis and properly account for the current overtime that each position can be expected to work. This methodology is more accurate than a general 3 or 5 year average of total overtime expense because a general average fails to consider the changing workforce, wages, labor capitalization, and operational requirements.

The methodology of a three-year average of overtime by position was also proposed and authorized in Case No. 2023-00191 and Case No. 2025-00122. This methodology allows the Company to capture current overtime wage and employee data, as well as current requirements to meet system operational reliability needs and regulatory requirements.

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2. Refer to the Kentucky-American's Response to the Attorney General's First Request for Information (Attorney General's First Request), Item 142, where Kentucky-American states that it included \$1,734,301 in Overtime Pay in the forecasted test period. Explain what the difference in Overtime Pay in the forecasted test period would be if Kentucky-American forecasted the expense utilizing the staffing levels as they currently exist. Provide the response in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response:

Please see KAW_R_PSCDR4_NUM002_091026_Attachment. The attachment shows the upward expense adjustment that would be needed to offset the 14 positions currently vacant, not including the vacant positions that will be filled upon the close of Black Mountain and the positions that are planned to be added in 2027.

The analysis provided in KAW_R_PSCDR4_NUM002_091026_Attachment calculates an upward expense adjustment of \$1,232,780 by using our known and measurable union salary information, overtime multiplier, union average capitalization rate included in the proposed future test year to calculate the additional overtime expense that would be needed to offset these vacancies.

Vacancies are a normal occurrence while operating a water utility. While the current vacancy count is 14, the Company does not know how many or what positions will be vacant or the type of work that will be affected by these vacancies in the future. The Company does know through prudent workforce organization how many employees it will take to complete the planned work in 2027. The 206 employees included in the Future Test Year are a known and measurable quantity that the Company has planned to achieve the work needed in 2027. The number of vacancies the Company will have or how the Company will offset those vacancies whether through overtime or contracted services is not known and measurable. In addition, the Company's response to PSC DR 3-11 proves that while the Company has had vacancies, it continues to offset those vacancies with overtime and contracted services to the detriment of the Company as KAWC has exceeded its authorized regular labor, overtime, and contracted services expense since 2024.

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3. Refer to Kentucky-American's response to the Attorney General's First Request for Information (Attorney General's First Request), Item 162. Refer also to Kentucky-American's response to the Attorney General's First Request, Item 166 in Case No. 2025-00122.² Explain in detail why Kentucky-American elected to include severance pay in the forecasted test period in the instant proceeding when it did not request recovery of severance pay in its most recent general rate case.

Response:

The severance included in the Company's instant case is the allocated portion of Service Company severance that is billed to Kentucky. This is a portion of Service Company expense that is billed to KAWC and should be viewed as the upfront cost of prudent workforce restructuring. The recovery of severance supports prudent workforce and restructuring decisions that help to improve efficiencies and could ultimately benefit customers through lower allocated costs. Upon review, the Company should have sought recovery in the last case.

² Case No. 2025-00122, *Electronic Application of Kentucky-American Water Company for an Adjustment of Rates*, (Ky. PSC Dec. 15, 2025); Kentucky-American's Response to the Attorney General's First Request, Item 166.

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4. Refer to the Kentucky-American's response to the Attorney General's First Request, Item 170.
 - a. Explain in detail the variance in Kentucky-American's level of Temporary Help Expense for the years 2023-2025, the base period, and the forecasted test year.
 - b. Explain how the amount of Temporary Help Expense would change in the forecasted test year if Kentucky-American did not assume a full staffing level.

Response:

- a. Temporary help in the historical years is as follows: 2023 – Hydrant painting, 2024 – Lead-service line work, 2025 – BSI work. The Lead-service line work was capitalized at a higher rate than the other work, which resulted in a lower expense in 2024. Base year and forecasted test year temporary help expense were projected at 2025 levels remaining flat.
- b. Temporary help is only one line item within the Company's Contracted Services expense. The Company's contracted services expense, as a whole, would need to be adjusted upwardly to account for any vacancy adjustment. The table below shows the upward expense adjustment that would be needed to offset the roughly 11 positions proposed to be eliminated by Mr. Defever and replaced wholly with temporary help/contract services. The Company does not agree with the reasoning or methodology behind Mr. Defever's adjustment and is simply using his methodology to provide point of reference for the Commission's consideration.

The analysis below calculates the change in expense by taking the vacated hours that the Company knows it will take to complete its planned work in 2027 and applies that to the known and measurable average union wage rate. The Company then applies a conservative 15% profit margin to account for the upcharge that a contracted service provider would charge for the same work. This analysis results in an upward adjustment of \$978,252 to contracted services expense.

Vacancies are a normal occurrence while operating a water utility. The Company does not know what positions will be vacant or the type of work that will be affected by these vacancies. The Company does know through prudent workforce organization how many employees it will take to complete the planned work in 2027. The 206 employees included in the Future Test Year are a known and measurable quantity that the Company has planned to achieve the work needed in 2027. The number of vacancies the Company will have or how the Company will offset those vacancies

whether through overtime or contracted services is not known and measurable. In addition, the Company's response to PSC 3-11 proves that while the Company has had vacancies, it continues to offset those vacancies with overtime and contracted services to the detriment of the Company as KAWC has exceeded our authorized regular labor, overtime, and contracted services expense since 2024.

Total Employees in Rate Case	206
Proposed Vacancy Rate by AG/LFUGC/GMWSS	5.40%
Proposed Vacant Position Count	11
AG/LFUGC/GMWSS Proposed Vacancy Adjustment	
Total Union Base Salary in Rate Case	\$6,727,846
Union Employees in Rate Case	87
Average Union Salary	\$77,332
Annual Working Hours in Rate Case	2,088
Average Union Hourly Wage in Rate Case	\$37.04
Estimated Premium For Contracting With Third Party	15.00%
Estimated Hourly Cost of Contracting Third-Party Worker	\$42.59
Annual Working Hours in Rate Case	2,088
Annual Contract Services Cost to Perform Work of a Vacant Position	\$88,932
Proposed Vacant Position Count	11
Annual Contract Services Cost to Perform Work of All 11 Proposed Vacant Positions	\$978,252

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Witness: Robert Prendergast / William A. Lewis

5. Refer to the Application, Direct Testimony of John Defever (Defever Direct Testimony), page 21, where Mr. Defever recommends a reduction for unaccounted-for water exceeding the 15 percent threshold. Confirm that Kentucky-American can provide the unaccounted-for water loss percentage in the forecasted test year for each of the systems it acquired over the past 24 months as of the date of this request. If confirmed, provide the unaccounted-for water loss percentage for each of those systems by month. If not, explain why the calculation cannot be made.

Response:

Kentucky-American Water Company acquired City of Livingston on April 15, 2026, and the Water Service of Kentucky (Clinton and Middleboro) on June 1, 2026. Unfortunately, KAWC does not have any information on historical unaccounted-for-water data from September 2025 on any of the acquisitions prior to the respective mergers.

KAWC has been gathering data on unaccounted-for-water for the acquisitions since they were acquired and will continue to update it through the case. Please see KAW_R_PSCDR4_NUM005_091026_Attachment for unaccounted-for-water statistics including acquired company activity for the 12 months ending July 2026.

Please note that the attachment is broken down into 4 pages. The first page shows the Company's UFW without the recent acquisitions. Page 2 shows the UFW for Livingston and Page 3 shows it for Water Service of Kentucky. Page 4 shows the total Company UFW, including acquisitions. The Company believes there should be a reasonable opportunity for it to reduce the UFW for Livingston and Water Service of Kentucky as they are extremely high and pushing the total UFW higher than the historical amount for the Company. The Commission and the General Assembly have encouraged consolidation and regionalization of water providers. To facilitate consolidation, regionalization, and the acquisition of systems that are troubled and need investment, the Commission should not burden an acquirer with an acquired system's UFW until the acquirer has been provided a reasonable amount of time, which could be a number of years, to improve the system. Thus, if the Commission were to impose an UFW adjustment in this case, it should use the UFW for the Company without the recent acquisitions. In the Company's next rate case, it will be in a position to inform the Commission of the efforts it has made to reduce UFW in the acquired systems and address the issue of whether UFW in the acquired systems should be included in any UFW adjustment at that time. The Company will continue to update this response as more data becomes available.

Kentucky-American Water
Monthly Unaccounted-For-Water Statistics
For the Period Jan 2025 to Jul 2026

Kentucky-American (Excluding Livingston and Water Service of Kentucky Acquisitions)

Month	Water Produced	Water Purchased For Resale	Calculated System Delivery	Water Sales	Non-Revenue Water	NRW Percentage	Other Water Used	Water Loss	Water Loss Percentage
Jan-25	1,287,408	10,009	1,297,417	1,010,993	286,424	22.08%	9,443	276,981	21.35%
Feb-25	1,113,162	6,786	1,119,948	1,024,596	95,352	8.51%	5,797	89,555	8.00%
Mar-25	1,193,549	10,653	1,204,202	891,445	312,757	25.97%	15,932	296,825	24.65%
Apr-25	1,174,506	10,941	1,185,447	807,289	378,158	31.90%	18,399	359,759	30.35%
May-25	1,270,181	10,957	1,281,138	1,089,476	191,662	14.96%	20,078	171,584	13.39%
Jun-25	1,324,046	10,494	1,334,540	1,015,163	319,377	23.93%	6,352	313,026	23.46%
Jul-25	1,494,633	10,997	1,505,630	1,215,197	290,433	19.29%	6,424	284,009	18.86%
Aug-25	1,567,219	12,209	1,579,428	1,333,398	246,030	15.58%	8,603	237,427	15.03%
Sep-25	1,501,526	11,180	1,512,706	1,418,025	94,681	6.26%	4,741	89,940	5.95%
Oct-25	1,351,622	26,574	1,378,196	1,130,089	248,107	18.00%	6,159	241,948	17.56%
Nov-25	1,129,542	29,956	1,159,498	1,048,132	111,366	9.60%	4,610	106,756	9.21%
Dec-25	1,167,753	26,090	1,193,843	892,066	301,777	25.28%	2,979	298,798	25.03%
Total 2025	15,575,147	176,846	15,751,993	12,875,869	2,876,124	18.26%	109,517	2,766,607	17.56%
Jan-26	1,192,316	27,018	1,219,334	940,188	279,146	22.89%	1,122	278,024	22.80%
Feb-26	1,207,044	34,096	1,241,140	933,022	308,118	24.83%	3,429	304,689	24.55%
Mar-26	1,208,463	32,611	1,241,074	990,717	250,357	20.17%	3,873	246,484	19.86%
Apr-26	1,246,075	30,659	1,276,734	982,979	293,755	23.01%	15,619	278,136	21.78%
May-26	1,338,118	32,711	1,370,829	1,126,028	244,801	17.86%	16,368	228,433	16.66%
Jun-26	1,311,614	58,553	1,370,167	1,171,010	199,157	14.54%	-	199,157	14.54%
Jul-26	1,494,258	49,792	1,544,050	1,211,697	332,353	21.52%	12,035	320,318	20.75%
12 Mos Jul 2026	15,715,550	371,449	16,086,999	13,177,351	2,909,648	18.09%	79,538	2,830,110	17.59%

Kentucky-American Water
Monthly Unaccounted-For-Water Statistics
For the Period Jan 2025 to Jul 2026

Livingston

Month	Water Produced	Water Purchased For Resale	Calculated System Delivery	Water Sales	Non-Revenue Water	NRW Percentage	Other Water Used	Water Loss	Water Loss Percentage
Jan-25									
Feb-25									
Mar-25									
Apr-25									
May-25									
Jun-25									
Jul-25									
Aug-25									
Sep-25									
Oct-25									
Nov-25									
Dec-25									
Total 2025									
Jan-26									
Feb-26									
Mar-26									
Apr-26									
May-26	-	2,059	2,059	145	1,914	92.96%	-	1,914	92.96%
Jun-26	-	1,709	1,709	450	1,259	73.67%	-	1,259	73.67%
Jul-26	-	1,333	1,333	656	677	50.79%	-	677	50.79%
12 Mos Jul 2026	-	5,101	5,101	1,251	3,850	75.48%	-	3,850	75.48%

Kentucky-American Water
Monthly Unaccounted-For-Water Statistics
For the Period Jan 2025 to Jul 2026

Water Service of Kentucky (Nexus-Clinton and Middlesboro)

Month	Water Produced	Water Purchased For Resale	Calculated System Delivery	Water Sales	Non-Revenue Water	NRW Percentage	Other Water Used	Water Loss	Water Loss Percentage
Jan-25									
Feb-25									
Mar-25									
Apr-25									
May-25									
Jun-25									
Jul-25									
Aug-25									
Sep-25									
Oct-25									
Nov-25									
Dec-25									
Total 2025									
Jan-26									
Feb-26									
Mar-26									
Apr-26									
May-26									
Jun-26	-	42,143	42,143	23,862	18,281	43.38%	-	18,281	43.38%
Jul-26	-	46,259	46,259	16,132	30,127	65.13%	-	30,127	65.13%
12 Mos Jul 2026									
	-	88,402	88,402	39,994	48,408	54.76%	-	48,408	54.76%

Kentucky-American Water
Monthly Unaccounted-For-Water Statistics
For the Period Jan 2025 to Jul 2026

Total Kentucky-American Water Company (Including Acquisitions)

Month	Water Produced	Water Purchased For Resale	Calculated System Delivery	Water Sales	Non-Revenue Water	NRW Percentage	Other Water Used	Water Loss	Water Loss Percentage
Jan-25	1,287,408	10,009	1,297,417	1,010,993	286,424	22.08%	9,443	276,981	21.35%
Feb-25	1,113,162	6,786	1,119,948	1,024,596	95,352	8.51%	5,797	89,555	8.00%
Mar-25	1,193,549	10,653	1,204,202	891,445	312,757	25.97%	15,932	296,825	24.65%
Apr-25	1,174,506	10,941	1,185,447	807,289	378,158	31.90%	18,399	359,759	30.35%
May-25	1,270,181	10,957	1,281,138	1,089,476	191,662	14.96%	20,078	171,584	13.39%
Jun-25	1,324,046	10,494	1,334,540	1,015,163	319,377	23.93%	6,352	313,026	23.46%
Jul-25	1,494,633	10,997	1,505,630	1,215,197	290,433	19.29%	6,424	284,009	18.86%
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Nov-25	1,129,542	29,956	1,159,498	1,048,132	111,366	9.60%	4,610	106,756	9.21%
Dec-25	1,167,753	26,090	1,193,843	892,066	301,777	25.28%	2,979	298,798	25.03%
Total 2025	15,575,147	176,846	15,751,993	12,875,869	2,876,124	18.26%	109,517	2,766,607	17.56%
Jan-26	1,192,316	27,018	1,219,334	940,188	279,146	22.89%	1,122	278,024	22.80%
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May-26	1,338,118	34,770	1,372,888	1,126,173	246,715	17.97%	16,368	230,347	16.78%
Jun-26	1,311,614	102,405	1,414,019	1,195,322	218,697	15.47%	-	218,697	15.47%
Jul-26	1,494,258	97,384	1,591,642	1,228,485	363,157	22.82%	12,035	351,122	22.06%
12 Mos Jul 2026	15,715,550	464,952	16,180,502	13,218,596	2,961,906	18.31%	79,538	2,882,368	17.81%

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Witness: John Magner

6. Refer to the Application, Direct Testimony of John Magner (Magner Direct Testimony), page 33. Explain the data inputs used to develop the survival or aging functions in the KANEW model.

Response:

Both water main break records and retired pipe records are used to determine the parameters in the aging curve. The aging curve needs three parameters:

- 100% survival: the minimum service life that is reached by every pipe
- 50% survival: the average service life of the whole group/cohort of pipes
- 10% survival: the age at which 90% of pipes are replaced and only the most robust pipes have survived

System and industry data for the life expectancies of different pipe cohorts is used in instances where data records are missing or incomplete.

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Witness: John Magner

7. Refer to the Application, Magner Direct Testimony, pages 4-6. Refer also to Application, Magner Direct Testimony, Exhibit JM-1 and JM-3.
- a. State how often the Pipe Replacement Planner and its underlying likelihood-of-failure (LOF) model are updated with actual failure data.
 - b. Explain how sensitive the LOF model is to assumptions and identify the five assumptions that have the greatest effect on LOF results.
 - c. Provide the current LOF for each major asset (mains, pumps, substations) in Exhibit JM-1.
 - d. Describe how Kentucky-American makes the decision between replacement, deferral, and upgrade.
 - e. Explain whether the Capital Program Management (CPM) model is deterministic or probabilistic.
 - f. Provide the age, size, length and the material of all mains scheduled for replacement as part of the System Improvement Program (SIP).

Response:

- a. Actual failure data utilized by the Pipeline Replacement Planner ("PRP") is updated three to four times annually.
- b. The model is relatively insensitive to assumptions. Break density and break frequency are weighted the heaviest, so likelihood of failure ("LOF") is primarily driven by verified operational data. Furthermore, LOF scoring cohorts (1-5) have been tracked in a peer-reviewed study for two years, verifying a strong positive correlation between scoring cohorts and observed break rates across regional districts. For example, the lowest scoring cohort of "1" received an observed cast iron break rate of approximately 15 breaks/100-miles/year, while the highest scoring cohort of "5" received a break rate of approximately 130 breaks/100-miles/year in the two years of the study.

The top five variables contributing to LOF include:

- Break Density by material type
 - Break Frequency by segment
 - Cohort Survival Probability
 - Material
 - Age
- c. LOF scores calculated for pipes within KAW's distribution system are summarized below:

LOF	Length of Main
1	717.3
2	473.0
3	495.3
4	432.0
5	288.1

While KAWC does perform condition assessments of various other assets within its system (pump stations, tanks, etc.), explicit LOF scores are not calculated for these other assets.

- d. The initial prioritization of mains for replacement verses deferral is based on risk scores calculated using PRP as described in the Direct Testimony of John Magner. Mains with higher risk scores are prioritized for replacement sooner, whereas the replacement of mains with lower risk scores are deferred to later years. After this initial prioritization is complete, the mains are further prioritized based on factors including those described below.
- Cost sharing opportunities: KAWC attempts to schedule water main replacements projects to align with work of other utilities in the area to take advantage of restoration cost sharing.
 - Annual budgets: Projects with higher anticipated costs are balanced with projects with lower anticipated costs to achieve adequate main replacement rates while staying within annual main replacement budgets.
 - Hydraulic impacts: Projects that provide significant improvements in pressures and available system capacity receive higher priority for replacement.

Water mains are upgraded or upsized based on hydraulic modeling that evaluates system benefits that can be realized by increasing the diameter of a water main. Replacing smaller mains with larger mains can often increase pressures and fire flow capacity.

- e. The overall CPM process is neither probabilistic nor deterministic, as it is not a model. The CPM is the framework that KAWC utilizes to plan and manage all of its capital investments. This process includes the completion of studies and analyses, identification and prioritization of projects, and management and oversight of the implementation of these projects as described in Section II of the Direct Testimony of John Magner.
- f. Main replacements prioritization is performed on an annual basis to identify specific main replacement projects for the following year. This process has not yet been completed for projects that are proposed to be included in the SIP from 2028-2032, therefore the exact sizes, ages, and materials of mains to be replaced are not available. The total miles of main anticipated to be replaced each year as part of the SIP is presented below.

2028	2029	2030	2031	2032
13.8	15.2	14.7	16.7	21.5

KAWC is currently finalizing scopes for projects to be constructed in 2027. Preliminary information for these projects is presented below. This information is subject to revision pending final internal reviews.

Material	2"	3"	4"	6"
Asbestos Cement		8,100 LF	13,330 LF	9,350 LF
Cast Iron				8,000 LF
PVC	2,255 LF	12,200 LF	13,720 LF	8,000 LF

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Witness: Jeffrey Newcomb / John Magner

8. Explain how Kentucky-American prioritizes the mains scheduled for replacement as part of the SIP and provide the cost per unit and per linear foot for each type of main.
- Explain whether Kentucky-American will file a certificate of public convenience and necessity (CPCN) for future projects that will be included in the SIP.
 - Explain whether there are any environmental reviews or local approvals required for projects included in the SIP.
 - Explain whether there are any conflicts with local development plans and how Kentucky-American intends to resolve those conflicts.
 - Explain how many meters will be replaced annually and provide the cost breakdown for 2027-2029 in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.
 - Provide a breakdown of the IT projects' costs for the years 2027-2029 in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response:

KAWC will prioritize capital investments, including water mains, to be replaced as part of the SIP utilizing the processes described in the Direct Testimony of John Magner, Sections II and V.

Unit costs for water main replacement projects can vary significantly between projects based on factors such as subsurface conditions, restoration requirements, and the nature of the work environment (urban vs. rural). When budgeting annual investments associated with water main replacements from 2027-2032, KAWC utilized the average per linear foot unit costs listed below.

Category	2027	2028	2029	2030	2031	2032
Rural	\$225-\$375	\$225-\$387	\$225-\$400	\$225-\$412	\$300-\$425	\$300-\$439
Urban	\$375-\$450	\$387-\$464	\$400-\$479	\$412-\$495	\$425-\$510	\$439-\$527
Transmission			\$612	\$632	\$652	\$673

- a. Yes. As discussed in Company witness Newcomb's Direct Testimony, the SIP rider will apply only to qualified, non-revenue producing ("non-growth") plant investments that are incremental to recovery in the most recent water GRC. In the proposed SIP Tariff, this is referred to as SIP Qualified Infrastructure Investments. The types of qualified investments include distribution and water treatment infrastructure as described in Company witness Magner's testimony, and are not restricted solely to investments associated with pipe replacement. The mechanism does not automatically include investments requiring a Certificate of Public Convenience and Necessity ("CPCN"). The inclusion of those investments would be determined by the Commission as part of the Company's request for a CPCN.
- b. Some projects proposed to be included in the SIP will likely require environmental permitting and local approvals. These permits and reviews/approvals may include United States Army Corps of Engineers environmental permitting, Kentucky Division of Water environmental and hydraulic permitting, local development plan approvals, local land disturbance permitting, building permitting, and state and local right-of-way permitting.
- c. KAWC is not aware of any conflicts with local development plans. KAWC will obtain all applicable development plan approvals prior to constructing proposed projects.
- d. Please see KAW_R_PSCDR4_NUM008_091026_ATTACHMENT1.
- e. Please see KAW_R_PSCDR4_NUM008_091026_ATTACHMENT2. Please also note that KAWC is not proposing that this category of investment be eligible as SIP qualified infrastructure investments.

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Witness: John Magner

9. Provide the cost of engineering services for each year from 2027 through 2029, by project or investment category, distinguishing internal costs from contracted costs. Provide the response in Excel spreadsheet format with all formulas, columns, and rows unprotected and full accessible.

Response:

Engineering services for most projects scheduled for 2027-2029 have not yet been procured, therefore the costs are not known at this time. Anticipated engineering services costs for projects where these services have been procured are provided in KAW_R_PSCDR4_NUM009_091026_Attachment 1.

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Witness: John Magner

10. Refer to the Application, Magner Direct Testimony, pages 4-6. Refer also to the Application, Magner Direct Testimony, Exhibit JM-1 and JM-3. Provide the type of meters in service (residential, commercial, industrial breakdown) for each of the acquired utilities within the last 24 months in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible, at the time of the acquisition.

Response:

- a. Please see KAW_R_PSCDR4_NUM010_091026_ATTACHMENT1.

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CASE NO. 2026-00094
COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION

Witness: Jeffrey Newcomb / John Magner

11. Refer to the Application, Direct Testimony of Jeffrey Newcomb (Newcomb Direct Testimony), page 14-19. Refer also to Kentucky-American's response to Commission Staff's Second Request for Information (Staff's Second Request), Items 41, 43, and 44; the proposed SIP tariff; and Magner Direct Testimony, Exhibit JM-1.
- a. Identify each category of distribution and water-treatment infrastructure, other than water mains, for which Kentucky-American seeks SIP eligibility. For each category, cite the applicable proposed tariff provision, identify the projects forecasted for 2027 through 2029, and provide the projected annual costs.
 - b. Describe Kentucky-American's current procedures for coordinating proposed SIP projects with municipalities and other utilities, including advance notice, joint planning, cost sharing, and street-restoration work. Provide all written policies and coordination plans applicable to Lexington-Fayette Urban County Government, the City of Georgetown, and any other municipalities.
 - c. State whether Kentucky-American proposes a minimum annual number of linear feet, or a minimum annual percentage, of water mains to be replaced as a condition of SIP. If so, quantify the minimum requirement for each year from 2027 through 2029. If not, explain why no minimum is proposed.

Response:

- a. The asset categories eligible for recovery in the SIP are provided in Kentucky-American's proposed tariff (Filing Exhibit 2 to the Application) at Original Sheet No. 48, Determination of the SIP Surcharge Percentage, (A)(1.). Please see the "Eligible Capital & Expense" tab within KAW_R_PSCDR2_NUM042_062626_Attachment for monthly projected costs for 2027 through 2029. Recurring and investment projects that are not for the purpose of serving a new customer ("non-revenue producing") for which KAWC seeks to define as "SIP Qualified Infrastructure Investments" are indicated by a value of "Yes" in Excel column B, rows 9 through 62.
- b. Based on water main prioritization analyses, the majority of water main replacements implemented by Kentucky American Water ("KAWC") in recent years have occurred within Lexington and Fayette County. KAWC coordinates with and provides advanced notice to Lexington-Fayette Urban County Government ("LFUCG") regarding water main replacements projects via multiple forums, included those noted below.
 - Long-term utility coordination planning meetings: For the last several years, KAWC has participated in coordination meetings with LFUCG and other local utilities to discuss upcoming projects within right-of-way. These meetings, which were initially developed by KAWC, allow utilities to share future

planned projects and identify areas of overlapping work where efforts between multiple entities can be coordinated to reduce costs.

- Pave sharing project applications: When water main replacement projects are scoped, KAWC submits pavement sharing applications (see KAW_R_PSCDR4_NUM011_091026_ATTACHMENT1) to LFUCG for these projects. These applications indicated the limits of the project to be executed by KAWC. KAWC is not able to directly execute pave sharing agreements with other entities. LFUCG Engineering requires that all pave sharing agreements be approved by LFUCG Engineering, even if they are not a party to the agreement.
- Annual general permit application: Each year, KAWC submits an application for an annual general permit with LFUCG. This application includes a “utility master plan” of anticipated projects.
- Paving plan reviews: LFUCG provides periodic updates of lists of roads to be paved by LFUCG. KAWC reviews these lists and provides feedback where KAWC has work planned on roads to be paved.
- Permitting: For each project, KAWC submits street cut and lane blockage permits to LFUCG prior to performing work.

After KAWC completes its work on a project, LFUCG establishes limits of restoration. These limits are established at the sole discretion of LFUCG. On projects where pave sharing agreements exist and LFUCG is responsible for final paving, LFUCG will perform the restoration and send an invoice to KAWC for KAWC’s share of the restoration costs.

Other municipalities within KAWC’s service territory do not have formal coordination and cost sharing procedures, but KAWC coordinates directly with applicable officials, agencies, and stakeholders regarding projects in these areas.

- c. No minimum annual linear footages or annual percentages are proposed. No minimums are proposed as costs for water main replacement projects can vary based on factors such as subsurface conditions, density of project work areas, and restoration requirements of local right-of-way authorities. Additionally, as discussed in the Direct Testimony of John Magner, this allows KAWC flexibility to adjust investment between projects/budget items should factors outside the control of KAWC necessitate an adjustment.

Paving Sharing Project Application - 2025 Version

Please submit application to Paving Sharing Program EQPW Commissioner's Office:

rdugas [REDACTED] and rwade [REDACTED]

Utility Company (Name):		
Utility Project Name/Designation:		
	<i>What do you call the project, neighborhood, major street?</i>	
Expected project timeframe		
	<i>Ex.: "Fall 2025" or "June 2025 to October 2025"</i>	
Utility Company Representative:	Name:	
	Phone:	
	Email:	

At the core of the paving sharing program is the intent to pave intersection to intersection "Segments". To this extent is it critical that all applications include or indicate the impacted road name, cross streets and the near and far end of the road segment, and the LFUCG Roadway Segment Number or SCLINK number. This will ensure all projects are accurately tracked.

LFUCG Segment numbers can be obtained by visiting the LFUCG Street Centerline website:
https://data.lexingtonky.gov/datasets/b0388c01870149c3987790659ac0b37f_0/explore

Road Name	
Project limit cross streets (indicate "Intersection" if work includes intersection as well)	
Cross Street	
Cross Street	
Road Segment #	

Road Name	
Project limit cross streets (indicate "Intersection" if work includes intersection as well)	
Cross Street	
Cross Street	
Road Segment #	

Road Name	
Project limit cross streets (indicate "Intersection" if work includes intersection as well)	
Cross Street	
Cross Street	
Road Segment #	

Road Name	
Project limit cross streets (indicate "Intersection" if work includes intersection as well)	
Cross Street	
Cross Street	
Road Segment #	

Use Continuation sheet for additional Road Segments

"Paving Sharing" Project Application - Continuation Sheet

Road Name	
Project limit cross streets (indicate "Intersection" if work includes intersection as well)	
Cross Street	
Cross Street	
Road Segment #	

Road Name	
Project limit cross streets (indicate "Intersection" if work includes intersection as well)	
Cross Street	
Cross Street	
Road Segment #	

Road Name	
Project limit cross streets (indicate "Intersection" if work includes intersection as well)	
Cross Street	
Cross Street	
Road Segment #	

Road Name	
Project limit cross streets (indicate "Intersection" if work includes intersection as well)	
Cross Street	
Cross Street	
Road Segment #	

Road Name	
Project limit cross streets (indicate "Intersection" if work includes intersection as well)	
Cross Street	
Cross Street	
Road Segment #	

Use Continuation sheet for additional Road Segments

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2026-00094
COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION

Witness: Jeffrey Newcomb

12. Refer to Kentucky-American's response to Staff's Second Request, Item 44, and the filing schedule in the Application, Newcomb Direct Testimony, pages 14-16.
- a. Assuming no significant changes or intervening circumstances, state the number of SIP Annual Filings and balancing-adjustment filings Kentucky-American currently anticipates making before its next general rate case.
 - b. State whether Kentucky-American intends to make each annual filing shown in that schedule while the SIP remains in effect.

Response:

- a. As discussed on p. 8 of Mr. Newcomb's direct testimony, Kentucky-American believes with approval of the SIP rider mechanism, as proposed in this case, that general rate cases would be less frequent, and its next general rate case could be as late as 2029 absent significant changes or intervening circumstances, including but not limited to, major acquisitions, significant capital investments deemed ineligible for recovery through the SIP rider mechanism, significant changes to billing determinants, or significant changes to operating expenses where no tracker or rider mechanism(s) exist. Therefore, assuming no significant changes or intervening circumstances, Kentucky-American currently anticipates making two (2) SIP Annual Filings and two (2) Balancing Adjustment filings before its next general rate case.
- b. Yes, Kentucky-American intends to make each annual filing shown in that schedule and continue that filing cadence while the SIP remains in effect.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2026-00094
COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION

Witness: Jeffrey Newcomb

13. Refer to Kentucky-American's response to Staff's Second Request, Item 44, where Kentucky-American states that a material acquisition may affect the timing of its next general rate case.
- a. Define "material acquisition" for this purpose and identify any quantitative or qualitative criteria or thresholds Kentucky-American will use to determine whether an acquisition is material. If Kentucky-American has not established such criteria or thresholds, explain how it will make that determination
 - b. Explain the criteria Kentucky-American will use to determine whether acquisition-related investments will be addressed through a general rate case, a change-of-control or CPCN proceeding followed by a SIP plan update, or a SIP Annual Filing. For each option, identify the circumstances under which Kentucky-American anticipates using that option.

Response:

- a. Kentucky-American has not established such criteria or thresholds to define "material acquisition" for this purpose. The term "material acquisitions," as used in KAWC's response to 2-44, is intended to refer generally to acquisitions that, based on a particular acquisition's facts and circumstances, have meaningful impact on the Company's revenue requirement, capital investment levels, customer base, operational requirements and responsibilities, or other factors related to the timing and scope of a general rate case. Kentucky-American considers the above as well as other rate case drivers when determining the timing of its general rate cases.
- b. First, Kentucky-American anticipates that it must follow KRS 278.020 for change-of-control cases as well as the issuance of any necessary CPCNs.

Second, as the Commission is aware in its two most recent acquisition cases, Kentucky-American provided initial due diligence information regarding the City of Livingston and Black Mountain Utility District system in the schedules attached to the asset purchase agreements; ultimately, in both cases, those schedules were later completed as due diligence progressed. Based upon the information obtained in due diligence completed up to the date of filing for a change of control case, Kentucky American will assess whether it has sufficient information to determine if the anticipated investments identified to date by the due diligence process meet the Tariff definition for SIP Qualified Infrastructure Investments and whether any of the investments require a CPCN.

Acquisition-related investments that *do not* meet the Tariff definition for SIP Qualified Infrastructure Investments, or if Kentucky-American is unable to make a complete assessment of the needed investments at the time of filing for a change of control case, those investments will be addressed through a general rate case and the Company will file applications for CPCNs as needed.

Kentucky-American anticipates seeking approval from the Commission to include acquisition-related investments within the SIP rider mechanism that *do* meet the Tariff definition for SIP Qualified Infrastructure Investments and will include those investments in subsequent SIP plan updates, Annual Filings, and Balancing Adjustments after obtaining approval to do so in a change-of-control application. If any of these acquisition-related investments require a CPCN, the Company would also file CPCN applications for those investments and seek the Commission's approval to include the investment in the SIP, before including them in subsequent SIP plan updates, Annual Filings, and Balancing Adjustments.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2026-00094
COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION

Witness: William A. Lewis

14. Refer to the Application, Direct Testimony of Chase Azevedo (Azevedo Direct Testimony), pages 5-6 and 11-12. Refer also to Kentucky-American's response to Georgetown Water and Sewer's First Request for Information, Item 14(b).
- a. Explain the factual and tariff basis for classifying and billing Georgetown Municipal Water and Sewer Service's wastewater treatment plant at 900 Cherry Blossom Way as a Sales for Resale customer where water supplied at that location is used on-site and is not resold.
 - b. State the status and effective date of any correction to the account classification; quantify any resulting refund, credit, or interest; and explain how the correction will be reflected in the base-period and forecasted-test-period revenues and the class cost-of-service study.
 - c. Describe all discussions and written communications between Kentucky-American and Georgetown Water and Sewer concerning Kentucky-American as a long-term water supply option for demand exceeding the 4.0 MGD capacity of the Royal Spring Water Treatment Plant. In the response, include the capacity and volume discussed; required infrastructure; proposed rate or contract terms; and Kentucky-American's response to Georgetown Water and Sewer's request-for-information or request-for-proposals process. Also, provide all nonprivileged supporting documents not already filed in this proceeding.

Response:

- a. The service classification of GMWSS' account located at 900 Cherry Blossom Way was incorrectly classified as Sales for Resale. This account has since been reclassified as Other Public Authority. Kentucky American Water has made three recent attempts, one by phone and two by email, to coordinate a discussion with GMWSS to review and confirm account classifications, however GMWSS has not responded to these requests as of September 10, 2026. Those e-mails and a slide deck showing the Company's assessment of GMWSS' account classifications that was provided to GMWSS by e-mail are attached as KAW_R_PSCDR4_NUM014_091026_Attachment 1.
- b. Account 210010314282 with service address of 900 Cherry Blossom Way was reclassified from Sale for Resale class to Other Public Authority. Account 210010313470 with service address of Burton Rd is still under review and requires more information from GMWSS to confirm if the current account classification of Other Public Authority is still accurate. Please see KAW_R_PSCDR4_NUM014_091026_Attachment 2 for the resulting impact of the change in classification for billing periods January 2025 – August 2026. The forecasted

test period is adjusted to reflect the reclassification. The impact in OPA revenue resulted in \$22,534 increase in base revenue at present rate and the impact in SFR revenue resulted in \$23,239 decrease in base revenue at present rate.

- c. Kentucky-American Water responded to GMWSS' request for proposal for long-term purchase water supply to supplement GMWSS's water supply needs. KAWC's proposal was submitted in accordance with GMWSS's RFP instructions, however, KAWC has not been contacted for further review, negotiation or discussion. A copy of KAWC's final proposal is attached, see KAW_R_PSCDR4_NUM014_091026_Attachment 3. KAWC responded to the RFP with an alternative minimum capital investment requirement solution. KAWC has sufficient water supply and delivery capacity to meet and exceed GMWSS' stated RFP requirement that does not require additional capital investment beyond that simply required to connect KAWC's existing water system (42-inch water main) to GMWSS's requested point of delivery. KAWC's solution eliminates nearly 25 million dollars of capital investment estimated by GMWSS as required to construct a new Sales for Resale connection to serve the City of Georgetown's stated water supply needs. Additionally, KAWC's proposal specifically addressed the option for a negotiated purchased water rate based upon GMWSS's large, estimated volume of purchased water supply.

From: Andy A Lewis

Sent: Tuesday, August 25, 2026 8:32 AM

To: 'cazevedo [REDACTED]

Subject: GMWSS/KAW Accounts and Interconnections

Good morning, Chase,

KAW has completed its review of the existing GMWSS accounts, and we would appreciate the opportunity to review and confirm our findings with you and your team.

Would you be available for a virtual meeting later this week, either Thursday or Friday, to discuss these results? If so, I would also like to take the opportunity to introduce our Director of Operations, our Major Account Manager, and myself.

Please let me know if this would be convenient and, if so, what times would work best for your team.

Thank you for your time and consideration.

Andy

William A. Lewis

Vice President, Operations

Kentucky American Water

C: 913-217-5626

william.lewis@amwater.com

From: Andy A Lewis

Sent: Monday, August 31, 2026 8:47 AM

To: Chase Azevedo [REDACTED]

Subject: FW: GMWSS/KAW Accounts and Interconnections

Good morning Chase,

I would like to follow up with you regarding the misclassification of Georgetown Municipal Water & Sewer Service's water service account for 900 Cherry Blossom Way. Kentucky-American Water has appropriately reclassified this account as OPA. GMWSS is a valued customer of KAW, and as a result of our error, KAW performed a review of all active GMWSS accounts to ensure account classification accuracy. Per my email last week and a phone message I left with your office employee Ashely on August 27th, I believe it would be helpful for both GMWSS and KAW to meet and review these accounts together to ensure the account classifications are in fact accurate. During our review, a question regarding the intended use of the connection located at 1458 Burton Road arose, and we would like to review this account with GMWSS to ensure accuracy.

My goal is to ensure KAW is meeting the needs of GMWSS as a customer. Due to the number of accounts and the significance of the Champion Way interconnection, I believe both GMWSS and KAW would benefit from having a routine and direct relationship where we can discuss operational issues, GMWSS' needs as a customer, and provide GMWSS with a direct point of contact to KAW, that is authorized to manage all GMWSS account issues.

Again, I extend my original invitation to meet with you and your team to discuss the account review and any other customer related issues. I have attached a copy of our review here for your reference.

Please reach out to me with any questions.

Thank you,

William A. Lewis

Vice President, Operations

Kentucky American Water

C: 913-217-5626

william.lewis@amwater.com



GMWSS Account Review

August 28, 2026



1458 Burton Road

Account Owner: GMWSS
Customer Type: OPA
Account Status: Active
Account Number: 210010313470

Question: Currently listed as OPA. It is unclear what this connection services. Please confirm the use of this service connection so that the correct Customer Type may be confirmed.



Champion Way

Account Owner: GMWSS
Customer Type: Sales for Resale
Account Status: Active
Account Number: 220040961440



900 Cherry Blossom Way

Account Owner: GMWSS
Customer Type: OPA
Account Status: Active
Account Number: 210010314282



101 Double Culvert

Account Owner: GMWSS
Customer Type: OPA
Account Status: Active
Account Number: 210008254615



491 Double Culvert

Account Owner: GMWSS
Customer Type: OPA
Account Status: Active
Account Number: 210008317912



813 Sims Pike

Account Owner: GMWSS
Customer Type: OPA
Account Status: Active
Account Number: 210009992392



152 Rogers Gap Road

Account Owner: GMWSS
Customer Type: OPA
Account Status: Active
Account Number: 210008534472



101 Wrights Lane

Account Owner: GMWSS
Customer Type: OPA
Account Status: Active
Account Number: 220005338993



Thank you!



Georgetown Municipal Water and Sewer Service

Request for Proposals (RFP)

Wholesale Water Supply

RFP Issue Date: October 17, 2025

RFP Question Deadline: November 12, 2025

RFP Submittal Deadline: November 21, 2025, at 2:00 PM EST

1. INTRODUCTION

Georgetown Municipal Water and Sewer Service (GMWSS) is committed to providing a high-quality, reliable supply of drinking water to its customers at the best value and lowest cost. To meet the needs of existing and future customers, GMWSS has identified the need for a reliable, long-term finished water supply to supplement its current raw water source and treatment infrastructure.

Several regional water utilities have been identified as potential Wholesale Water Suppliers (WWS). GMWSS previously issued a Request for Information (RFI) to assess capacity, willingness, and preliminary terms, and to develop a shortlist of qualified suppliers. This RFP serves as a continuation of the RFI and will help GMWSS identify the best alternative(s) for long-term finished water supply. Some questions from the previously issued RFI are repeated within this RFP for record purposes.

Through this Request for Proposals (RFP), GMWSS is inviting shortlisted utilities to submit proposals to enter into a long-term agreement to provide finished water to GMWSS.



2. COMMUNICATIONS

Questions regarding this RFP must be submitted via email by Wednesday, November 12, 2025, at 2:00 PM EST to:

Chase Azevedo, PE
General Manager
Georgetown Municipal Water and Sewer Service
Email: [REDACTED]

Contact with any other GMWSS personnel, members of the Board of Commissioners, or elected officials (including Georgetown City Council members and Scott County Fiscal Court) regarding this RFP is grounds for disqualification from this procurement process.

3. BACKGROUND

Raw water for GMWSS has historically been provided from Royal Spring, with treatment at the adjacent water treatment plant (WTP). GMWSS also relies on purchased water from the Frankfort Plant Board (FPB), which supplies GMWSS through a water booster pump station and distribution mains. Kentucky American Water (KAW) periodically provides supply to GMWSS under emergency conditions.

The WTP requires significant upgrades, but those improvements will not provide additional capacity, as Royal Spring does not have adequate supply to meet GMWSS's projected demands. With customer demand expected to increase significantly in the coming decades, GMWSS has decided to secure additional finished water through a WWS to supplement its existing WTP capacity and ensure long-term finished water supply reliability.

Sale of the system of GMWSS is not considered part of this RFP. Do not include language related to purchase of GMWSS or its system in the proposal or other submitted documents.

4. PROJECT DESCRIPTION

Based on current planning projections, GMWSS's average daily demand (ADD) is expected to increase from approximately 3.9–4.5 million gallons per day (MGD) today to 7.5–10.0 MGD by 2045. The maximum daily demand (MDD) is projected to increase to approximately 11.25 MGD to 15.0 MGD over the same period. Table 1 provides the projected timing for GMWSS's estimated demands (sourced from GRW, 2022 Water Source Assessment). These projections represent total system demand for GMWSS, and GMWSS will determine in the future how much of this demand will continue to be produced at its existing WTP and how much will be purchased from a WWS. For context, the existing Royal Spring has a



maximum water withdrawal permit of 4.0 MGD from the Kentucky River Authority, underscoring the need for supplemental supply.

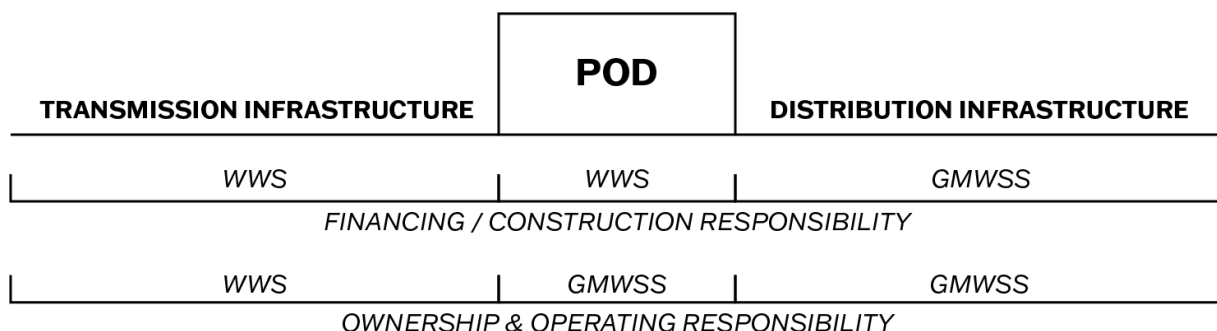
Table 1. GMWSS Demand Projections

YEAR	LOW PROJECTION ADD (MGD)	LOW PROJECTION MDD (MGD)	HIGH PROJECTION ADD (MGD)	HIGH PROJECTION MDD (MGD)
2030	5.10	7.65	6.10	9.20
2035	5.80	8.70	7.25	10.88
2040	6.60	9.90	8.40	12.60
2045	7.50	11.25	10.00	15.00

This project will be broken into three primary components, illustrated in Figure 1:

- a. **Transmission Infrastructure** – The WWS will finance and construct the transmission mains and any associated pumping facilities required to deliver finished water to the Point of Delivery (POD). Transmission facilities upstream of the POD site will be owned and operated by the WWS.
- b. **Point of Delivery (POD)** – The POD site, to be located in the vicinity of Cane Run Road and Greathouse Run/Frontage Road, will consist of a 5 million gallon (MG) ground storage tank, a high service pump station, a chemical feed system for boosting chlorine, and any associated facilities necessary to receive and pump finished water at the required delivery pressures. The WWS will finance and construct the POD facilities to ensure the initial required delivery at the specified hydraulic grade of 900 feet +/- into the ground storage tank. The high service pump station discharge into GMWSS distribution system is to a hydraulic grade of 1024 feet +/- . Once constructed, the POD and its facilities will be dedicated to GMWSS for ownership and perpetual operation. The water delivered at the POD site must meet all requirements of the Safe Drinking Water Act and applicable Commonwealth of Kentucky drinking water standards.

Figure 1 (Conceptual Diagram of Project Components and Associated Responsibilities):





5. PROJECT DELIVERABLES

Each proposal must include the following deliverables to ensure a complete and consistent submittal:

a. Appendices

- i. **Appendix A – Proposal Form** (signed). Respondents must complete all sections of Appendix A, including:
 1. **Capacity and Supply Commitments** – Current and projected capacity, guaranteed volumes, limitations due to water availability, minimum-purchase terms (with rates, phasing, and fees), and any existing commitments to other customers.
 2. **Rates and Financial Structure** – Billing-rate structure, fixed and variable costs, and methodology for future rate adjustments, disclosure of any rate impacts from acquisition of other utilities.
 3. **Infrastructure Responsibilities** – Confirmation of willingness to fund and construct the required transmission and POD infrastructure per the hydraulic conditions in Section 4B, with ownership of the POD facilities transferred to GMWSS and costs recovered through the rate structure.
 4. **Contract Term and Regulatory** – Preferred term of agreement (25, 50, or 75 years) and any limitations associated with Public Service Commission (PSC) or other governing body, oversight of long-term rates.
 5. **Water Quality and Treatment** – Identification and description of raw-water sources, disinfectant type, finished-water quality parameters, need for additional treatment, and record of taste, odor, or color complaints (including drought-related issues).
 6. **System Condition and Reliability** – Infrastructure age and rehabilitation percentage, major outages, boil-water advisories, and drought restrictions over the past ten years.
 7. **Recommendations** – Suggestions to improve affordability, reliability, constructability, rate structure, and overall operability of the proposed wholesale water supply arrangement.
- ii. **Appendix B – Request for Proposals Acknowledgement Form** (signed).
- iii. **Appendix C – Point of Delivery Executive Summary**
- iv. **Supporting Attachments** - Any documents necessary to support the responses in Appendix A (e.g., compliance reports, water quality data, outage logs, or system condition reports).



6. CONTRACT TYPE

GMWSS intends to execute a Water Purchase Agreement with the chosen WWS(s) based on the proposal relating to the items defined herein.

7. PROPOSAL VALIDITY PERIOD

Proposal from the WWS must remain valid for twelve (12) months.

8. PROCUREMENT SCHEDULE

MILESTONE	DATE/TIME
RFI ISSUED	September 26, 2025
LAST DAY FOR RFI QUESTIONS	October 3, 2025 – 2:00 PM EDT
RFI RESPONSES WERE DUE	October 10, 2025 – 2:00 PM EDT
RFP ISSUE DATE	October 17, 2025
LAST DAY FOR RFP QUESTIONS	November 12, 2025
PROPOSAL DEADLINE	November 21, 2025 – 2:00 PM EST

9. RESPONSE INSTRUCTIONS

- a. Submission method:** Email your complete response to:

Chase Azevedo, PE
 General Manager
 Georgetown Municipal Water and Sewer Service
 Email: [REDACTED]

- b. Email subject line:** “RFP Response – Wholesale Water Supply – [Your Utility Name]”
- c. File format:** Submit the completed Appendix A – RFP Response Form and Appendix B – Request for Proposals Acknowledgement Form (PDFs provided with this RFP). Additional narrative or supporting materials may be attached as needed.
- d. Deadline:** Responses must be received by Friday, November 21, 2025, at 2:00 PM EST.
- e. Labeling:** Clearly mark the cover page of any supplemental narrative as “RFP Response – Wholesale Water Supply – [Your Utility Name]” Specify the question number for written explanations.
- f. Confidentiality:** Identify any confidential/proprietary information; GMWSS will treat such information to the extent permitted by law.
- g. Receipt:** If you require confirmation of receipt, request it in your email; an acknowledgment will be sent.



- h. GMWSS reserves the right to contact WWS for clarifications and/or questions regarding its proposal.

10. SCORING OF PROPOSALS

GMWSS will evaluate, score, and rank all proposals in the best interest of the utility.

All proposals are required to include a base proposal prepared in accordance with Section 4 – Project Description of this RFP and Appendix C – Point of Delivery Executive Summary. Respondents may, at their discretion, also provide an alternate proposal that varies from the assumptions in Section 4 and Appendix C, provided it is clearly identified as such and includes corresponding rate and project approach information.



APPENDIX A – RFP RESPONSE FORM

Wholesale Water Supply – Georgetown Municipal Water and Sewer Service

Respondent Utility Name:

Contact Person:

Phone:

Title:

Email:

Please provide written explanations as attachments to this form. Responses must not exceed 25 8.5"x11" pages and be formatted in no smaller than 11-point font. Pages may be formatted to 11"x17" only for tables and exhibits.

Section 1 – Capacity and Supply Commitments

1. Does the WWS have the capacity within its current infrastructure to supply GMWSS's projected demands shown in Table 1 of the RFP and included below?

YEAR	LOW PROJECTION ADD (MGD)	LOW PROJECTION MDD (MGD)	HIGH PROJECTION ADD (MGD)	HIGH PROJECTION MDD (MGD)
2030	5.10	7.65	6.10	9.20
2035	5.80	8.70	7.25	10.88
2040	6.60	9.90	8.40	12.60
2045	7.50	11.25	10.00	15.00

☐ Yes ☐ No – our maximum guaranteed capacity within our current infrastructure is as follows:

2030: _____ MGD 2035: _____ MGD

2040: _____ MGD 2045: _____ MGD

2. What is the minimum guaranteed capacity the WWS can provide over the next twenty-five years?

Year	Minimum Guaranteed Capacity (MGD)
2030	
2035	
2040	
2045	
2050	

3. Would delivery of the contracted volume be limited by water availability?

☐ No ☐ Yes – describe



4. Would the WWS require a minimum purchase amount in the proposed agreement?
- a. If yes, please indicate the rate for each minimum purchase over the indicated number of years.

Year	Low Range ADD (MGD)	High Range ADD (MGD)	Rate (\$/1,000 gal)	Min. Purchase (MGD)
2030	5.1	6.1		
2035	5.8	7.25		
2040	6.6	8.4		
2045	7.5	10.0		
2050	8.5	12.0		

- b. Would the WWS offer phased implementation of any minimum purchase requirements inclusive of all fees (customer, meter, hydrant, capital improvement, etc.)? Please describe.
- c. Please list any additional fees.
5. Is any volume of your existing treatment and transmission infrastructure that would serve GMWSS currently committed or allotted to another customer or service area?

Section 2 – Rates and Financial Structure

1. Describe the proposed billing-rate structure, including fixed and variable components, and explain the methodology for future rate adjustments. List any fixed costs (i.e., expenses that are constant regardless of the volume of water treated) that may influence the rate provided to GMWSS.
2. Would the rates charged to GMWSS under the proposed agreement be affected by the acquisition of other utilities by your organization?
- ☐ No ☐ Yes – explain



Section 3 – Infrastructure Responsibilities

1. Are you willing to fund the construction of the Point of Delivery (POD) infrastructure, as described in the RFP, per the hydraulic conditions in Section 4B, with ownership of the POD to be transferred to GMWSS and costs recovered through the rate structure?

☐ Yes – enter “All” if you plan to fund the full POD cost, or enter a dollar amount if you plan to fund only a portion: \$ _____

☐ No

Section 4 – Contract Term and Regulatory

1. Would you be willing to enter a long-term agreement with GMWSS? Check all that apply, circle preferred term.

☐ Yes – 25 years ☐ Yes – 50 years ☐ Yes – 75 years ☐ Other – explain

2. Will oversight by the Public Service Commission (PSC) or other such governing body restrict your ability to enter into a long-term contract with guaranteed rates? If so, please explain any such restrictions.

☐ No ☐ Yes – explain

Section 5 – Water Quality and Treatment

1. Identify and describe your raw-water sources.
2. Would finished water delivered at the POD require additional treatment by GMWSS to comply with the Safe Drinking Water Act or Kentucky standards?
3. What disinfectant does your utility use for treatment of finished water?
☐ Chloramines ☐ Free Chlorine



4. Provide the estimated water-quality levels for the following parameters at the POD.

Parameter	Avg.	Min.	Max.
Hardness (ppm as CaCO ₃)			
pH			
Alkalinity (ppm as CaCO ₃)			
Estimated Total Chlorine Residual (ppm)			

5. Over the last ten (10) years, please provide the number of taste, odor, and color complaints. Describe the nature of these complaints and how you addressed such complaints.
6. Describe any taste, odor, or supply shortages you experienced throughout central Kentucky during drought conditions in 2019. Discuss how you addressed these issues.

Section 6 – System Condition and Reliability

- For infrastructure that will be used to serve GMWSS (i.e., treatment and transmission), what percentage of the infrastructure has been constructed or rehabilitated in the last ten (10) years?
- Over the last ten (10) years, what were the total number of major service outages on the infrastructure that will serve GMWSS (i.e., water treatment plant, transmission mains, and pumping stations)? Please describe the nature and duration of these outages.
- Over the last ten (10) years, has the WWS had any boil-water advisory notices or drought restrictions in the pressure zone that will serve GMWSS? Please describe the nature and duration of these notices or restrictions.

Section 7 – Recommendations / Alternative Proposals

- All proposals are required to include a base proposal prepared in accordance with Section 4 – Project Description of this RFP and Appendix C – Point of Delivery Executive Summary. Respondents may also provide recommendations or alternative proposals to GMWSS for improving the affordability and reliability of the proposed wholesale water supply, including but not limited to constructability, contract type, rate structure, hydraulics, and operability. Clearly identify all corresponding rate and project approach information. The total response, including any alternatives, must not exceed 25 pages.

 Signature of Authorized Representative

 Date

**APPENDIX B – REQUEST FOR PROPOSAL ACKNOWLEDGEMENT FORM**

GMWSS Water Purchase Agreement

I hereby affirm that all information provided in this proposal is accurate and complete. I certify that I am authorized to represent and act on behalf of _____ in all matters related to this proposal.

_____ acknowledges that the information provided herein will be relied upon during GMWSS's evaluation and any misrepresentation or omission may be grounds for rejection. By signing below, I confirm our commitment to adhere to the terms and conditions specified in this proposal.

Signature of Authorized Representative

Date

Title

Organization



October 15, 2025

To: Chase Azevedo, PE

From: Josh Flanery, PE

cc: Alan Bryan, PE
Jon Schubarth, PE

**Re: Point of Delivery Evaluation
Recommendations Summary**

1. Introduction

Georgetown Municipal Water and Sewer Service (GMWSS) engaged Hazen and Sawyer to evaluate a new Point of Delivery (POD) site on a 4.3-acre parcel at Cane Run Road (Parcel ID 089-10-005.000). The scope includes ground storage, pumping facilities, flow metering, future chemical dosing provisions, permanent/temporary power, and all associated valves, piping, and sitework.

2. Point of Delivery Site

2.1 Public Water Supply Disinfection

The level of chloramine dosing required at the point of delivery depends on chlorine residual in the water being supplied to the City and the autodecomposition of chlorine residual as it travels through the water distribution system over time. For GMWSS to continue providing water with a similar residual level to customers, Hazen recommends installing a modular system for chloramine dosing, currently sized for addition of 1.5 to 2.0 ppm chlorine residual at 5 MGD, with the ability to expand for future buildout at 15 MGD. Hazen also recommends sampling for chlorine residual at the far reaches of the distribution system, and modifying the dosing rate over time to maintain the desired chlorine residual throughout the system.



2.2 Ground Storage

GMWSS requested multiple sizing options be evaluated ground storage:

- Two 2.5 MG Water Storage Tanks (Option 1)
- Two 3.75 MG Water Storage Tanks (Option 2)
- One 5 MG Water Storage Tank (Option 3)

Hazen consulted with prestressed concrete tank manufacturer CROM for typical tank dimensions. Other prestressed concrete tank manufacturers may have slightly different typical dimensions. Table 2-1 contains approximate dimensions for the recommended alternative, one 5 MGD tank.

Table 2-1, Tank Sizing Options

Option	Number of Tanks	Volume (MG)	Total Volume (MG)	Diameter (ft)	Height (ft)
3	1	5.0	5.0	169	30

2.2.1 GMWSS Mixing Preference

GMWSS has expressed a preference for baffle walls over mechanical mixing systems. It was assumed that there would be three concrete baffle walls, equally spaced inside of the tank for static mixing.

2.2.2 Ground Storage Cost and Schedule Considerations

For the OPCC, it was assumed that the tank would have a 5-year warranty and the following standard accessories:

- Interior fiberglass ladder with stainless-steel safety rail
- Exterior aluminum ladder with safety cage, cage door, and aluminum safety rail
- Roof hatch with fiberglass cover
- Fiberglass vent at center of dome roof with 24/24 polyester screen mesh
- Fiberglass liquid level indicator
- Stainless-steel wall manhole and cover
- Precast concrete overflow vents with 24/24 polyester screen mesh
- Aluminum handrail around access hatch on dome roof
- Standard exterior coating
- Standard 4" thick concrete membrane floor (This was an assumption as geotechnical information was not available.)

Given the possibility that federal funding would be used, Davis Bacon wage rates were used for cost estimating.

Since this tank will be for potable water, it must meet NSF 61 certification requirements. Because CROM does not provide NSF 61 certified concrete, the certification will need to be achieved with an interior NSF 61 certified coating.



Using the Tank Sizing from Table 2-1, the following Construction Duration (Table 2-2) was provided by CROM. This duration is broken into tank construction and coating application, in case CROM finds an NSF 61 concrete supplier and the NSF 61 certified interior coating is no longer required.

Table 2-2, Construction Durations

Option	Tank Construction Duration	Interior Coating Application Duration
3	19 weeks	4 weeks

2.3 Point of Delivery Pump Station

2.3.1 Hydraulic Considerations

The hydraulic model was utilized to determine the system curves for pump selection at the point of delivery site. System curves for the initial (2025) pumping conditions were based on water main improvements shown in Table 3-1. Parallel mains were added to the future (2045) scenario to keep the pump station discharge pressure under 150 pounds per square inch (psi).

Initial Pumping Conditions:

3,356 gallons per minute (gpm) @ 153 feet head (185 hp @ assumed 70% efficiency)

1 Duty/ 1 Standby Pump

Pumps controlled by Variable Frequency Drives (VFDs)

Future Conditions (Assumes full Buildout in 20 years):

5,233 gpm @ 320 feet head (608 hp @ assumed 70% efficiency)

2 Duty/ 1 Standby Pump

Pumps controlled by VFDs

Hazen initially assumed that the pumps would be vertical turbine or horizontal split case pumps. Both vertical turbine and horizontal split case pumps are well balanced and efficient. Hazen identified one selection, a Goulds 3430 10x14-24 horizontal split case pump, that is suitable for both the initial and future scenario. The initial condition can be met by using a motor operating at 1,200 revolutions per minute (RPM), and the future condition can be met using an 1,800 RPM motor. The pump motors would need to be replaced, and a third pump would need to be installed to provide a standby while two pumps meet the future demand conditions.



2.3.2 Electrical Considerations

Due to the difference in required motor hp between the Initial and Future Conditions, Hazen has assumed that the electrical equipment (generator, VFDs, control panels, etc.) at the point of delivery pump station will need to be replaced as development occurs within the GMWSS system and more pumping capacity is required.

Kentucky Utilities (KU) was contacted about providing three phase power to the site. Typically, KU will provide a source of power to the site for no initial fee and the costs to provide power will be factored into the rate agreement. A secondary source of power does typically require additional cost. Hazen has accounted for emergency backup power in the form of a generator.

2.4 Preliminary Site Layout

A conceptual site layout has been attached to this memorandum. The layout include one 5.0 MGD tank, piping, pump station and potential future rechloramination facilities.

3. Conclusion

3.1 Recommendations

Hazen recommends that GMWSS proceed with the following point of delivery site improvements to accommodate future purchase of wholesale water at the site.

- Installation of a new 5 MG ground storage tank with internal baffles at the point of delivery site.
- Install new site piping including a meter vault, tank bypass, and valve vaults.
- Installation of a new 5 MGD pump station (expandable to 15 MGD) at the point of delivery site.
 - For the 2025 conditions, install 1 Duty/1 Standby Pump and operate at 1,200 RPM with 200 hp motors.
 - Generator and electrical equipment to be sized for 2025 conditions, with the intent to replace as future development requires greater pumping capacity.
- As the system develops and more flow is required, install a second duty pump (for 2 Duty/1 Standby), replace motors and electrical equipment to operate at 1,800 RPM with new 600 hp motors.

3.2 Opinion of Probable Construction Costs for 2025 Improvements

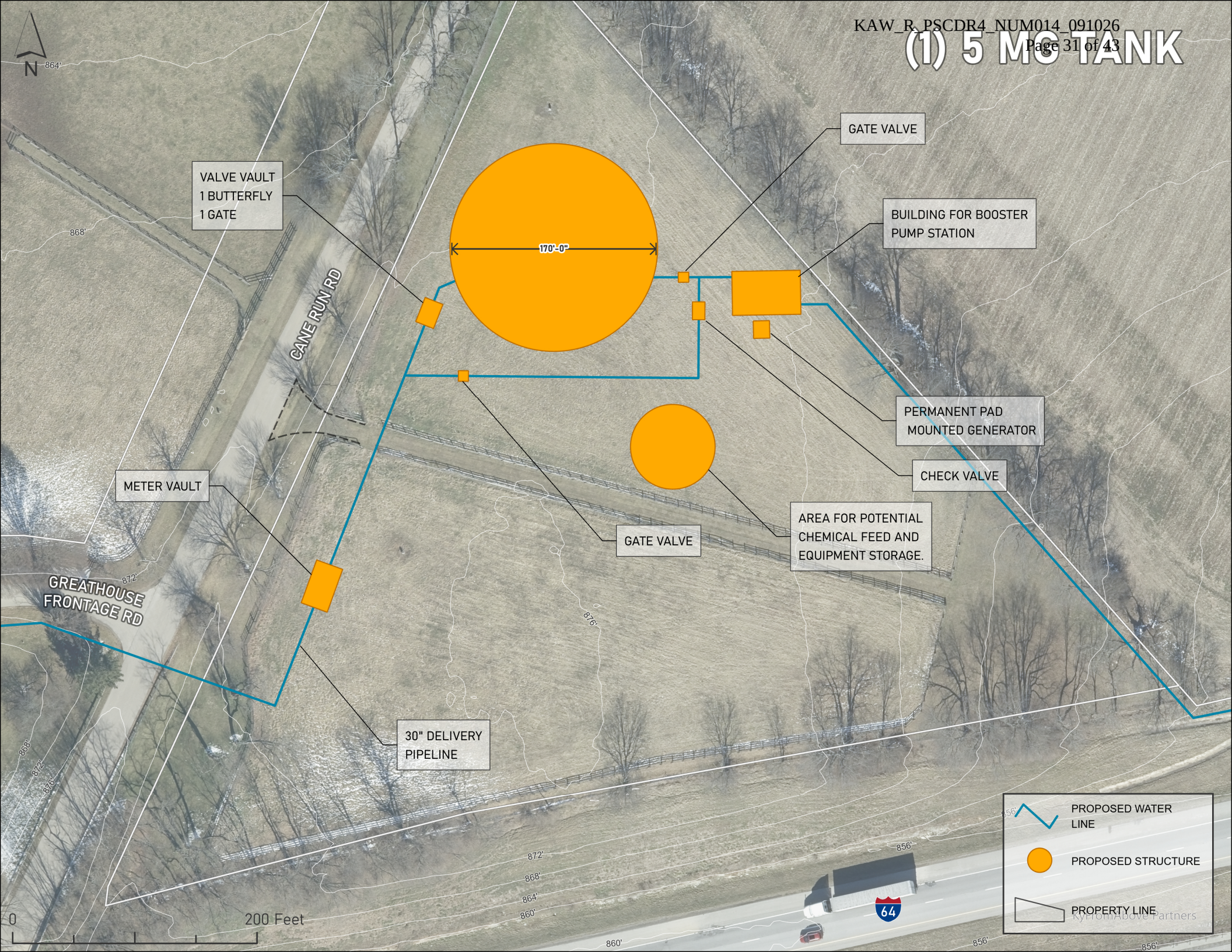
The items listed in the below OPCC include: site grading, piping and valves, storage tanks and coating, booster pump station, electrical controls and standby power. One item of further consideration is the need for chloramine boosting. This item and the amount of chloramine boosting required is dependent on the source of the water supply.

**Table 3-1, 2025 Point of Delivery Improvements Opinion of Probable Construction Cost**

Item	OPCC
Point of Delivery Pump Station	\$5,000,000
Ground Storage Alternatives:	
5 MG Tank	\$10,750,000
Subtotal¹	\$15,750,000
Design Contingency (30%)	\$4,725,000
Subtotal	\$20,475,000
Overhead & Profit (10%)	\$2,047,500
Construction Contingency (10%)	\$2,047,500
Total	\$24,570, 000

1. Subtotal includes Option 3 – One 5.0 MG Tank, which has the lowest cost of the three ground storage tank alternatives evaluated.

(1) 5 MG TANK



November 21, 2025

Chase Azevedo, PE
General Manager
Georgetown Municipal Water and Sewer Service
[REDACTED]



RFI Response – Wholesale Water Supply – Kentucky American Water

Dear Mr. Azevedo,

Kentucky American Water is happy to submit this response to the above referenced RFP. As outlined in the response instructions, attached is the completed Appendix A – RFP Response Form and supplemental documents to provide clarity to certain elements of our response. Please confirm receipt of this email.

Kentucky American Water's response addresses the infrastructure solution proposed by GMWSS, and also proposes an alternative infrastructure solution that would result in even greater affordability and reliability of long-term wholesale water provision for the Georgetown community. This is based on the capability of our existing water system, interconnections Kentucky American Water already has with GMWSS, and far less expensive new infrastructure projects to enhance supply near the location of the POD identified in the RFP. We currently serve 8,400 customer connections in Scott County and have the additional capacity to supply the wholesale water needed by GMWSS to augment the existing water supply. Kentucky American Water's proposed approach reduces the capital spend needed to provide wholesale water to GMWSS by approximately \$25M, and is a way to save both time and money in securing a wholesale water supply solution for Georgetown customers.

Thank you for the opportunity to respond to the RFI for wholesale water supply. Kentucky American Water certainly understands and supports your efforts to ensure a strong and resilient water supply for the Georgetown community and would appreciate the chance to assist you in achieving that goal. Please let us know if any clarifications are needed. We look forward to hearing from you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert Burton", with a stylized flourish extending from the end.

Robert Burton, President

GMWSS –RFP Response – Wholesale Water Supply – Kentucky American Water

Section 1 – Capacity and Supply Commitments

1. Does the WWS have the capacity within its current infrastructure to supply GMWSS's projected demands shown in Table 1 of the RFP and included below?

YEAR	LOW PROJECTION ADD (MGD)	LOW PROJECTION MDD (MGD)	HIGH PROJECTION ADD (MGD)	HIGH PROJECTION MDD (MGD)
2030	5.10	7.65	6.10	9.20
2035	5.80	8.70	7.25	10.88
2040	6.60	9.90	8.40	12.60
2045	7.50	11.25	10.00	15.00

X Yes No – our maximum guaranteed capacity within our current infrastructure is as follows:

2030: _____ MGD 2035: _____ MGD
 2040: _____ MGD 2045: _____ MGD

2. What is the minimum guaranteed capacity the WWS can provide over the next twenty-five years?

KAW is capable of meeting GMWSS's minimum, average and maximum capacity requirements noted in Table 1, Question 1 above.

3. Would delivery of the contracted volume be limited by water availability?

The only limitation to meeting the contracted volume of supply would be in the case of extreme regional drought conditions. Please note that the construction of KAW's Kentucky River Station #2 MGD water treatment plant, which added 20 MGD of production capacity, provided significant protection from drought conditions that could impact the region by providing multiple raw water supply points on the Kentucky River. Since the construction of KRS#2, KAW has not curtailed water supply service to its direct or wholesale customers. Additionally, during 2025 Kentucky River flooding events, KAW's operations were unaffected due to the strength and elevation of our raw water intakes, and KAW was able to supply additional water supply to other regional utilities during this event.

4. Would the WWS require a minimum purchase amount in the proposed agreement?

Kentucky American is proposing two scenarios with different minimum purchase requirements:

- GMWSS Base Scenario: construction of the transmission and point of delivery infrastructure specified in the RFP (including a five-million-gallon storage tank and pump station), capable of delivering

up to 15 MGD. Due to the capital costs, this solution likely would require a minimum purchase

- KAW Lower Cost Scenario: construction to tie GMWSS directly onto a large diameter main capable of delivering up to 15 MGD without a tank or pump station. Due to the low capital costs, this solution likely would not require a minimum purchase.

- a. If yes, please indicate the rate for each minimum purchase over the indicated number of years.

For the KAW Lower Cost Scenario, no minimum purchase is anticipated at Kentucky American's tariffed rates.

For the GMWSS Base Scenario, the minimum gallons required would depend on the rate charged. For example, if the rate charged were equal to today's authorized sale for resale rates, a 2.1 MGD minimum purchase could meet KAW's needs.

If GMWSS desires to pursue a lower rate than the published tariff rate that takes into consideration the projected high volume of water to be delivered that agreement would be considered a "special contract" and would need to be approved by the PSC to become effective. Kentucky American Water is open to negotiating and pursuing this option with GMWSS and the PSC.

Year	Low Range ADD (MGD)	High Range ADD (MGD)	Rate (\$/1,000 gal)	Min. Purchase (MGD)
2030	5.1	6.1		
2035	5.8	7.25		
2040	6.6	8.4		
2045	7.5	10.0		
2050	8.5	12.0		

- b. Would the WWS offer phased implementation of any minimum purchase requirements inclusive of all fees (customer, meter, hydrant, capital improvement, etc.)? Please describe.

For the GMWSS Base Scenario, all infrastructure costs would be incurred when the project began, so a phased approach could not likely be offered.

For the KAW Lower Cost Scenario, no minimum purchase is anticipated, so the question is not applicable.

c. Please list any additional fees.

Fees that may be assessed by Kentucky American Water are included in its current Tariff approved by the PSC. A copy of Kentucky American Water's current effective Tariff is available at: <https://amwater.com/kyaw/resources/PDF/Customer-Service-Billing/kentucky-amwater-complete-water-tariff-2025.pdf>

As detailed in the referenced Tariff, meter charges, KRA withdrawal charges and QIP fees would be charged in addition to volumetric water charges.

5. Is any volume of your existing treatment and transmission infrastructure that would serve GMWSS currently committed or allotted to another customer or service area?

No. The volume produced by the existing treatment and transmission infrastructure serves all Kentucky American Water customers, and is fully capable of supplying the additional demand from GMWSS.

Section 2 – Rates and Financial Structure

1. Describe the proposed billing-rate structure, including fixed and variable components, and explain the methodology for future rate adjustments. List any fixed costs (i.e., expenses that are constant regardless of the volume of water treated) that may influence the rate provided to GMWSS.

In either scenario, Kentucky American anticipates capital-associated costs that do not fluctuate with the volume of water consumed. In the GMWSS Base Scenario, with a \$27.9 million capital investment, these might include \$0.5 of depreciation expense, and \$2.5mm of pre-tax return on debt and equity financing (at current authorized returns). In the KAW Lower Cost Scenario, with \$2.9 million capital investment, these might include \$68 thousand of depreciation expense and \$256 thousand of pre-tax return on debt and equity financing (at current authorized returns).

As a regulated utility, Kentucky American Water's rates are subject to approval by the Kentucky Public Service Commission. Per Kentucky American Water's PSC approved tariff, KAW's rate structure would include monthly meter service charges for metering at interconnection point(s), based on meter size, plus a volumetric charge for water purchased.

As explained in Section 1, Question 4 above, Kentucky American Water is open to negotiating and pursuing a lower rate than the published tariff rate that takes into consideration the projected high volume of water to be delivered. Because this rate would differ from Kentucky American Water's published tariff rates it would be considered a "special contract", and PSC approval of this agreement would be necessary. That agreement would also include a provision for how future rate increases could occur. Since that provision is understood and agreed to by both parties to the agreement from the beginning, the contractual obligation provides certainty for future rates. Final rates and rate structure would be subject to final contract negotiation

2. Would the rates charged to GMWSS under the proposed agreement be affected by the acquisition of other utilities by your organization?

If GMWSS is charged KAW's regulated tariff rates, the prices could be decreased or increased by all factors affecting KAW's operations. Acquisitions generally allow fixed costs to be shared by a wider customer base and increase KAW's economies of scale and purchasing power, benefiting all customers.

Section 3 – Infrastructure Responsibilities

1. Are you willing to fund the construction of the Point of Delivery (POD) infrastructure, as described in the RFP, per the hydraulic conditions in Section 4B, with ownership of the POD to be transferred to GMWSS and costs recovered through the rate structure?

Yes. KAW is willing to construct the requested infrastructure, which KAW has referred to as the GMWSS Base Scenario in its Bid Response. However, per our response in Section 7 below, KAW's existing water system is capable of meeting the current and future GMWSS projected water supply needs through existing KAW infrastructure without the construction of an additional storage tank and pumping station with only a minor pipeline extension/connection to our 42-inch main along Iron Works Pike, which would result in a measurable savings of capital costs as compared to the GMWSS Base Scenario. KAW refers to this alternative as the KAW Lower Cost Scenario in its Bid Response. In addition to the requested new connection, KAW has multiple other existing connections with GMWSS available to provide additional redundancy of supply. If KAW is the successful bidder, the

existing connections can be upgraded and/or modified, by KAW, as necessary to provide additional capacity and redundant supply. Given the strength and capacity of KAW's existing water system, this option provides the best value to GMWSS by providing multiple redundancies in a faster time frame and saves an estimated \$25M in capital investment, which ultimately benefits GMWSS' customers. See Table 1 in Section 7.

Section 4 – Contract Term and Regulatory

1. Would you be willing to enter a long-term agreement with GMWSS? Check all that apply, circle preferred term.

X Yes – 25 years ☐ Yes – 50 years ☐ Yes – 75 years ☐ Other – explain

Yes. KAW is willing to enter into a 25-year term with negotiated renewal options.

2. Will oversight by the Public Service Commission (PSC) or other such governing body restrict your ability to enter into a long-term contract with guaranteed rates?

If so, please explain any such restrictions.

X No ☐ Yes – explain

No. If GMWSS elects to enter into an agreement using KAW's published tariff rates for sale for resale supply, that rate is subject to and could change in future rate cases to be decided by the PSC, but this does not amount to any sort of "restriction." If GMWSS elects a minimum purchase volume Sale for Resale Agreement to obtain a lower rate than the published tariff rate for sale for resale, that agreement would be considered a "special contract" and would need to be approved by the PSC to become effective. KAW does not view this as a "restriction." That agreement would also include a provision for how future rate increases could occur. Since that provision is understood and agreed to by both parties to the agreement from the beginning, the contractual obligation provides certainty for future rates. Final rates and rate structure would be subject to final contract negotiation.

Section 5 – Water Quality and Treatment

1. Identify and describe your raw-water sources.

Kentucky River Pools 3 and 9, Jacobson Reservoir

2. Would finished water delivered at the POD require additional treatment by GMWSS to comply with the Safe Drinking Water Act or Kentucky standards?

No

3. What disinfectant does your utility use for treatment of finished water?

Chloramines

4. Provide the estimated water-quality levels for the following parameters at the POD.

	Kentucky River Station			Richmond Road Station			Kentucky River Station II		
Parameter	Average	Min	Max	Average	Min	Max	Average	Min	Max
Hardness (ppm as CaCo3)	145	60	280	142	70	330	142	55	280
pH	7.6	7.1	8.1	7.5	7.1	8.1	7.3	6.8	7.6
Alkalinity	73	40	125	87	36	204	92	35	145
	Distribution System								
	Average	Min	Max						
Estimated Total Chlorine Residual (ppm)	2.92	0.83	3.99						
Chloramines (ppm)	2.92	0.35	3.92						

5. Over the last ten (10) years, please provide the number of taste, odor, and color complaints. Describe the nature of these complaints and how you addressed such complaints.

During the last 10 years Kentucky American Water has not had any major taste, odor, and color complaints other than the very localized type incidents that occur with routine system operations, maintenance, and repairs. The total number across our footprint of 140,000 connections averages less than 270 individual reports per year, or 0.19%. There is a well-established process by which customers can report any concerns related to taste, odor, and color and have them quickly addressed by our team of professionals. All three of our water treatment plants have been nationally recognized with Directors Awards from the American Water Works Association Partnership for Safe Water program for our long-term commitment to optimizing operations, achieving outstanding performance, and protecting public health and the environment.

6. Describe any taste, odor, or supply shortages you experienced throughout central Kentucky during drought conditions in 2019. Discuss how you addressed these issues.

None.

Section 6 – System Condition and Reliability

1. For infrastructure that will be used to serve GMWSS (i.e., treatment and transmission), what percentage of the infrastructure has been constructed or rehabilitated in the last ten (10) years?

The primary treatment and transmission infrastructure that will be used to serve GMWSS was not constructed in the past ten years. However, the 20 MGD water treatment plant, 20 MGD pump station, 3 MG tank, and 42" transmission main that will be the primary infrastructure serving GMWSS were all constructed in approximately the last 15 years. They receive routine maintenance to ensure operational reliability.

2. Over the last ten (10) years, what were the total number of major service outages on the infrastructure that will serve GMWSS (i.e., water treatment plant, transmission mains, and pumping stations)? Please describe the nature and duration of these outages.

There have been no major service outages in the last 10 years on the primary infrastructure that will serve GMWSS.

3. Over the last ten (10) years, has the WWS had any boil-water advisory notices or drought restrictions in the pressure zone that will serve GMWSS? Please describe the nature and duration of these notices or restrictions.

During the last 10 years Kentucky American Water has not had any major boil water advisories or drought restrictions in the area of our system that will serve GMWSS. There have been localized precautionary boil water advisories of the type associated with routine system operations, maintenance, and repairs, but none of a large scale with major impact.

Section 7 – Recommendations / Alternative Proposals

KAW Lower Cost Scenario: While Kentucky American Water (KAW) is able to provide the infrastructure and service of the GMWSS Base Scenario as specified in Section 4 and “Appendix C – Point of Delivery Executive Summary” of the RFP, we have developed an alternative approach to supply wholesale water to GMWSS. Our approach provides the benefits listed below to GMWSS and its customers.

- Provides 15+ MGD of capacity to serve GMWSS.
- Significantly reduces capital costs associated with the installation of infrastructure to serve GMWSS.
- Depending upon the amount of water required on day one, the KAW Lower Cost Scenario could use a phased approach that allows GMWSS to increase the supply capacity as demand within the GMWSS system increases, which reduces initial capital expenditures and provides GWMSS flexibility to best serve its customers.
- Reduces long-term operation and maintenance costs.

Table 1 summarizes the KAW Lower Cost Scenario compared to the GMWSS Base Scenario specified in the RFP. KAW’s alternative approach, if all three phases are implemented, is expected to reduce capital expenditures by approximately \$25 million.

Table 1. GMWSS Base Scenario vs. KAW Lower Cost Proposal Comparison

Alternative	Supply Capacity (MGD)	Alternative Cost	Total Cost
GMWSS Base Proposal	15 ¹	\$27,900,000	\$27,900,000 ²
<i>KAW Alternative, Phase 1</i>	2.5	\$0	
<i>KAW Alternative, Phase 2</i>	15+	\$600,000	
<i>KAW Alternative, Phase 3</i>	15+	<u>\$2,300,000</u>	
KAW Lower Cost Scenario Total	15+ ¹	\$2,900,000	\$2,900,000
KAW Lower Cost Scenario Cost Savings			\$25,000,000

¹High Projection MDD” from Table 1 of the RFP

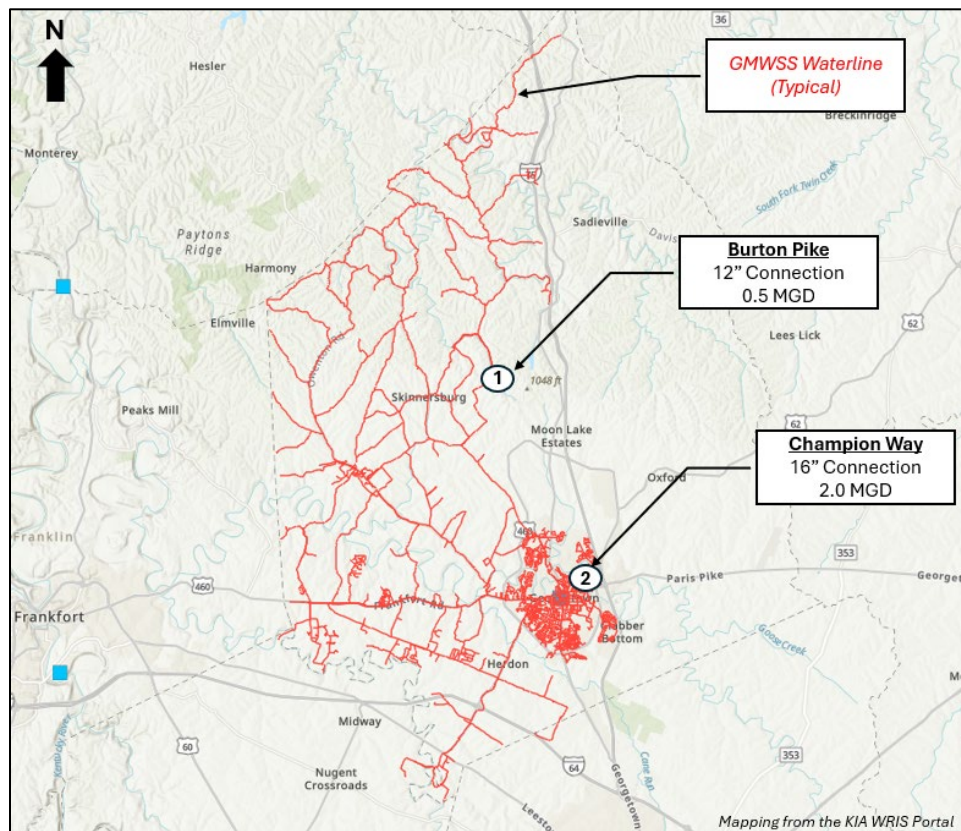
²Cost from Table 3-1 in Appendix C to the RFP

Details regarding each phase of KAW’s alternative approach are provided below.

KAW Lower Cost Scenario , Phase 1 – Utilize Existing Connections

The first phase of the KAW Lower Cost Scenario utilizes existing connections to the GMWSS system. These connections include a 12-inch connection at 1555 Burton Pike and a 16-inch connection at the intersection of Champion Way and Cherry Blossom Way, which provide approximately 0.5 MGD and 2.0 MG of capacity, respectively. With this phase, KAW can provide approximately 2.5 MGD of supply without capital costs.

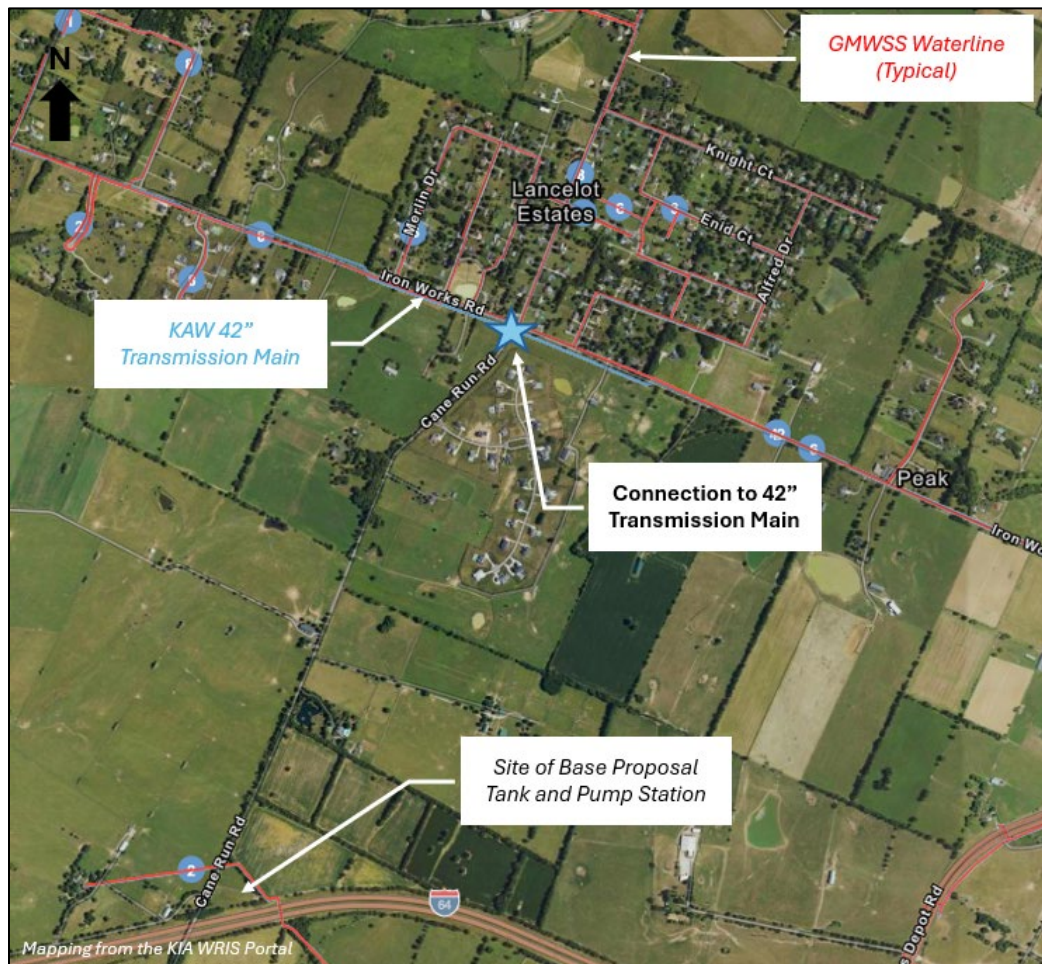
Figure 1. KAW Lower Cost Scenario – Phase 1



KAW Lower Cost Scenario, Phase 2 – Ironworks Road Connection

The second phase of the KAW Lower Cost Scenario establishes a new connection to KAW's 42" transmission main along Iron Works Road. This transmission main is supplied by a dedicated 3 MGD tank and 20 MGD pump station. KAW would install a connection and meter vault off the 42" main at the intersection of Iron Works Road and Cane Run Road. This connection would tie into GMWSS's system located north of Iron Works Road and could supply the entire "High Projection MDD" of 15 MGD specified in the RFP at an approximate HGL of 1,100'. The estimated capital cost to construct this connection is \$600,000.

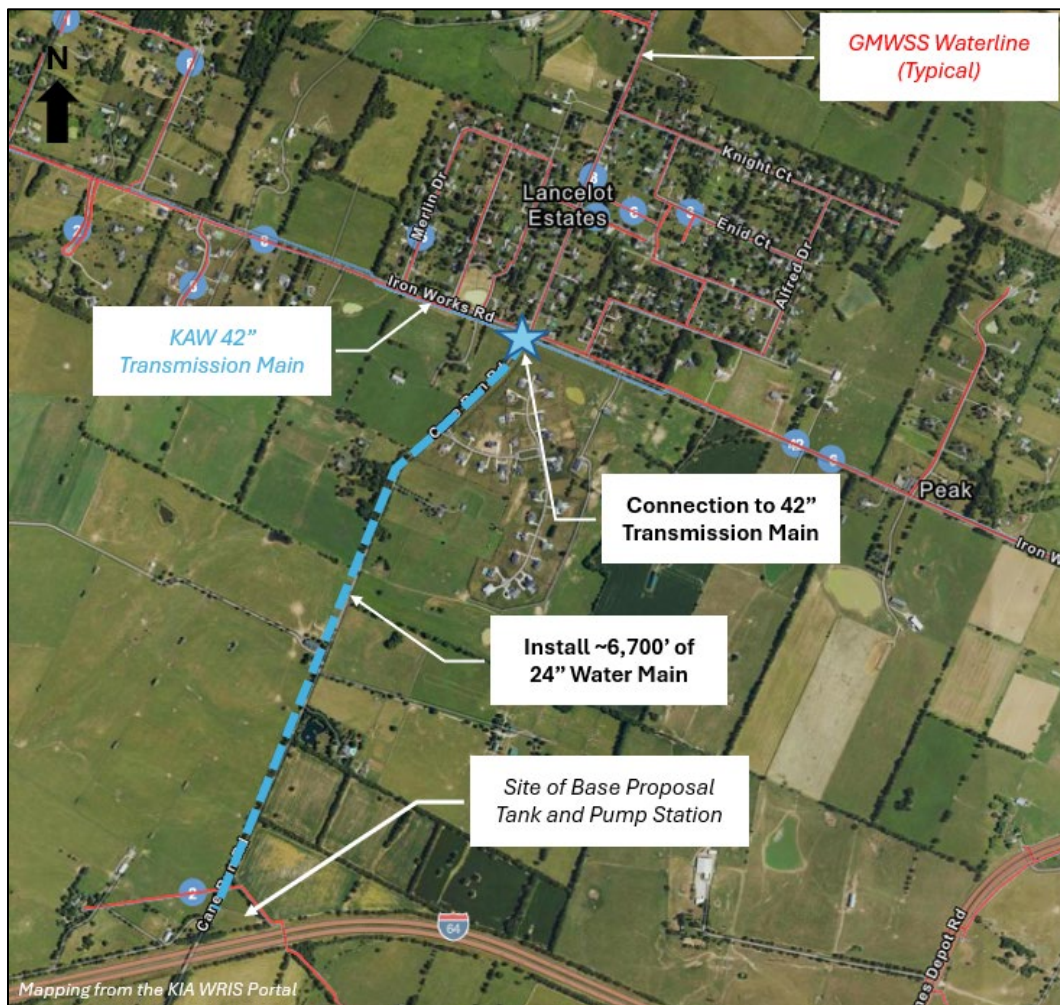
Figure 2. KAW Lower Cost Scenario – Phase 2



KAW Lower Cost Scenario, Phase 3 – Cane Run Road Main Extension

The final phase of the KAW Lower Cost Scenario constructs a 24" main extension along Cane Run Road from the connection established in Phase 2 to the proposed tank and pump station site provided in the GMWSS Base Scenario. This phase also provides a 15+ MGD supply, but provides service at the point of delivery and HGL established in the RFP. Compared to the GMWSS Base Scenario, however, this alternative eliminates the need for the construction of the 5 MG tank and pump station. The elimination of these two elements significantly reduces capital costs to an estimated cost of only \$2.9 million. Long term operation and maintenance costs will also be greatly reduced since costs for items such as tank painting, pump maintenance, pump replacement, and power will be eliminated.

Figure 2. KAW Lower Cost Scenario – Phase 3



KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2026-00094
COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION

Witness: John Magner

15. Refer to Case No. 2024-00272, Direct Testimony of Shelley Porter (Porter Direct Testimony), Exhibits 1 and 4.³ Provide updated versions of the project lists contained in those exhibits, using the same format in which they were originally provided and reflecting the current status of each listed project. For each project that has not been completed, state whether Kentucky-American plans to include the project in the proposed System Improvement Program (SIP). If so, identify the anticipated SIP filing year and current estimate project cost. If not, explain the project's current status or disposition. Provide the response in Excel spreadsheet format with all formulas, columns, and rows unprotected and full accessible.

Response:

Please see KAW_R_PSCDR4_NUM015_091026_ATTACHMENT1 and KAW_R_PSCDR4_NUM015_091026_ATTACHMENT2.

³ Case No. 2024-00272, *Electronic Application of Kentucky-American Water Company for a Revision of its Qualified Infrastructure Program Charge* (filed Aug. 30, 2024), Porter Direct Testimony at Exhibits 1 and 4.