

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2026-00097
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Witness: Emily Bytnar

1. Refer to the Joint Application, page 3, paragraph 9. Refer also to Kentucky-American's Notice of Intent to file an Application for a General Adjustment of Rates.²
 - a. Provide an explanation for why Black Mountain Utility District's (Black Mountain District) current customers' rates should be immediately amended to match Kentucky-American's rates.
 - b. Explain what benefits arise from moving Black Mountain District's current customers' rates to Kentucky-American's rates before Kentucky-American's next base rate proceeding.

Response:

- a. The initial analysis of customer bill impacts between rates indicated that aligning Black Mountain District customers with the current Kentucky-American rates would be beneficial, as it would result in a decrease for comparable monthly residential bills. Based on the effective rates at the time of analysis (Black Mountain effective October 9, 2023; Kentucky-American effective 12/16/2025) a residential customer with a 5/8-inch meter using 4,000 gallons per month would experience a bill reduction, as illustrated below in Tables 1 and 2.
A second analysis, as shown in Table 3, has been completed to update with the current Black Mountain District rates. Using the new rates effective February 8, 2026, shows a slight decrease in the comparison point. The calculations continue to produce a lower bill for Division 1 customers and slightly increased bill for Division 2 when comparing to current Kentucky-American rates.
- b. See response a above.
In addition to the customer bill impact, it will be more efficient to immediately amend the Black Mountain Utility District's customer rates to match Kentucky-American's based on the timing of the acquisition application and current general rate case proceeding Case No. 2026-00094.

² Case No. 2026-00094, *Electronic Application of Kentucky-American Water Company for an Adjustment of Water Rates, Notice of Intent to File an Application for an Adjustment of Water Rates Using Electronic Filing Procedures* (filed Apr. 15, 2026) at 2.

Table 1
Kentucky-American (5/8" Residential)
Tariff Effective: 12/16/2025

Meter Charge		\$19.89
Usage	4,000	31.46
	Total	<u><u>\$51.35</u></u>

Table 2
Black Mountain Utility District
Tariff Effective: 10/9/2023

Division 1

Usage: 0-2,000	2,000	\$26.17
Usage: 2,000+	2,000	17.58
		Debt Services Surcharge 4.26
		Water Loss Reduction Surcharge 7.91
	Total	<u><u>\$ 55.92</u></u>

Division 2

Usage: 0-2,000	2,000	\$ 26.17
Usage: 2,000+	2,000	17.58
		Debt Services Surcharge n/a
		Water Loss Reduction Surcharge 7.91
	Total	<u><u>\$ 51.66</u></u>

Table 3
Black Mountain Utility District
Tariff Effective: 2/8/2026

Division 1

Usage: 0-2,000	2,000	\$28.61
Usage: 2,000+	2,000	20.02
		Debt Services Surcharge 4.26
	Total	<u><u>\$ 52.89</u></u>

Division 2

Usage: 0-2,000	2,000	\$28.61
Usage: 2,000+	2,000	20.02

Debt Services Surcharge	<u>n/a</u>
Total	<u><u>\$ 48.63</u></u>

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Witness: Emily Bytnar

2. Explain whether Kentucky-American has had any appraisals performed of Black Mountain District's water utility assets.
 - a. If none have been performed, explain whether it has been discussed and, if so, when Kentucky-American plans to have the property appraised.
 - b. If Kentucky-American does not intend to perform an appraisal, explain why not.

Response:

- a. Please see response to part b.
- b. Kentucky-American has not and does not intend to have an appraisal performed of Black Mountain District's water utility assets. The company is however requesting a valuation equivalent to the purchase price in Case No. 2026-00094. Please see the response provided in KAW_R_PSCDR1_NUM003_060526 for additional information.

This approach reduces transaction costs associated with hiring a third-party to perform an appraisal. Additionally, Kentucky-American took into account the limited availability of detailed information regarding Black Mountain's assets, which would make it difficult for a third-party to develop a detailed and accurate appraisal.

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3. Provide the net book value for each of Black Mountain District's water utility assets being transferred to Kentucky-American. If the net book value of Black Mountain District's water utility assets is less than the purchase price as proposed in the Asset Purchase Agreement, explain whether Kentucky-American plans to recover, in its next base rate case, an acquisition premium for the purchase of Black Mountain District's water service territory.

Response:

As discussed in the Direct Testimony of Witness John Watkins in Case No. 2026-00094, per KRS 278.295, the Company has proposed that the purchase price be allocated across utility plant assets through net acquisition accounting consistent with US GAAP. This methodology, as opposed to original cost accounting per USOA, will result in lower annual depreciation expense for the acquired property and saving customers approximately \$156,000 per year.

See the table below, as provided in the above referenced testimony on page 25, illustrating the Utility Plant balances and underlying calculations supporting the lower annual depreciation expense.

Black Mountain Accounting Comparison

Values at 3/31/2026

		At \$1.2 million purchase price		
		A	B	C = B-A
Line	Key Valuation Accounts	Original Cost Accounting Per USOA	Net Acquisition Accounting Per GAAP	Difference
a	Utility Plant in Service ¹	\$21,314,836	\$1,200,000	
b	Accumulated Depreciation ¹	(10,203,804)		
c	CIAC ¹	(20,557,001)		
d	Accumulated Amortization of CIAC ²	9,002,351		
e	UPAA	1,643,618		
	Sum	\$1,200,000	\$1,200,000	\$0
	Annual Depreciation & Amortization	Rate³		
f = rate x a	Depreciation at composite rate	2.48%	\$527,569	\$29,702
g = rate x c	CIAC amortization	2.46%	(506,097)	
h = e /10	UPAA at 10-year amortization	10.00%	164,362	
	Sum		\$185,833	\$29,702
				(\$156,132)

¹Per pages 47-50 of Exhibit 1 Asset Purchase Agreement in Case No. 2026-00097

² Estimated based on Black Mountain's depreciable assets and life assumptions

³ Depreciation and CIAC amortization composite rates based on CIAC balances by asset type and KAW's approved depreciation rates

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Witness: John Magner

4. Refer to the Joint Application, Exhibit 1 at Article 6.10, where the Joint Applicants state that Kentucky-American will invest no less than \$20.9 million in capital and labor investments to the system within the first five years of Kentucky-American ownership. Provide a breakdown of the calculation, workpapers, or engineering assessment used to arrive at the \$20.9 million of capital and labor investments. Include in this breakdown the projected cost for each project.

Response:

Please see KAW_R_PSCDR1_NUM004_060526_Attachment1 for a breakdown of the \$20.9 million of capital and labor investments, including projected costs.

Black Mountain Utility District: 5-Year Capital Plan Incl. Capitalized Labor

Project	5-Year Total	Year 1	Year 2	Year 3	Year 4	Year 5
A: Watermain Extensions/Loops	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B: Watermain Replacement	\$ 4,300,000	\$ 500,000	\$ 800,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
C: Unscheduled Mains	\$ 2,500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
D: Watermain Relocation	\$ 375,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
E: New Hydrants, Valves	\$ 150,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
F: Replaced Hydrants, Valves	\$ 205,000	\$ 90,000	\$ 40,000	\$ 25,000	\$ 25,000	\$ 25,000
G: New Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
H: Replaced Services	\$ 350,000	\$ 100,000	\$ 100,000	\$ 50,000	\$ 50,000	\$ 50,000
I: New Meters	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
J: Replaced Meters	\$ 1,295,000	\$ 1,275,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
K: ITS Equipment and Systems	\$ 75,000	\$ 50,000	\$ 10,000	\$ 5,000	\$ 5,000	\$ 5,000
L: SCADA Equipment and Systems	\$ 2,155,000	\$ 705,000	\$ 600,000	\$ 600,000	\$ 150,000	\$ 100,000
M: Security Equipment and Systems	\$ 674,100	\$ 160,500	\$ 160,500	\$ 160,500	\$ 96,300	\$ 96,300
N: Offices and Operations Centers	\$ 145,000	\$ 75,000	\$ 40,000	\$ 10,000	\$ 10,000	\$ 10,000
O: Vehicles	\$ 1,069,000	\$ 1,069,000	\$ -	\$ -	\$ -	\$ -
P: Tools and Equipment	\$ 255,000	\$ 125,000	\$ 100,000	\$ 10,000	\$ 10,000	\$ 10,000
Q: Process Plant Facilities and Equipment	\$ 2,478,000	\$ 634,000	\$ 352,000	\$ 590,000	\$ 332,000	\$ 570,000
R: Capitalized Tank Rehab/Painting	\$ 340,000	\$ 68,000	\$ 68,000	\$ 68,000	\$ 68,000	\$ 68,000
S: Engineering Studies/GPS Collection	\$ 260,000	\$ 30,000	\$ 85,000	\$ 85,000	\$ 30,000	\$ 30,000
I12-02xxxd Black Mountain Operations Center	\$ 2,000,000	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -
Capitalized Labor	\$ 2,361,592	\$ 443,942	\$ 458,370	\$ 472,121	\$ 486,285	\$ 500,874
Annual Total		\$ 5,930,442	\$ 4,423,870	\$ 4,685,621	\$ 2,872,585	\$ 3,075,174

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Witness: William A. Lewis

5. Refer to the Joint Application, Exhibit 1, generally. Provide a copy of each schedule that was mentioned and omitted from the Asset Purchase Agreement that is applicable to the proposed transaction, as they become available.

Response:

In addition to the schedules previously provided with the Joint Application, Kentucky American will provide any additional schedules upon their completion.

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Witness: Emily Bytnar

6. Refer to the Joint Application, Paragraph 4. Assuming approval of the transfer of assets, provide a comparison of the current rates charged by Black Mountain District and the rates proposed to be charged by Kentucky American for each customer class upon closing of the transfer.

Response:

Please see the tables below for a comparison of the current rates charged by Black Mountain District and the rates proposed to be charged by Kentucky American for each customer class upon closing of the transfer.

Monthly Service Charge:	Black Mountain District Rate	Kentucky American Rate	Change
5/8-METER	\$0.00	\$19.89	\$19.89
3/4-METER	\$0.00	\$29.75	\$29.75
1-METER	\$0.00	\$49.45	\$49.45
1.5-METER	\$0.00	\$98.95	\$98.95
2-METER	\$0.00	\$158.40	\$158.40
3-METER	\$0.00	\$296.85	\$296.85
4-METER	\$0.00	\$494.85	\$494.85
6-METER	\$0.00	\$989.40	\$989.40
8-METER	\$0.00	\$1,583.05	\$1,583.05

Debt Service Charge:	Black Mountain District Surcharge	Kentucky-American Surcharge	Change
DIVISION 1	\$4.26	\$0.00	(\$4.26)
DIVISION 2	\$0.00	\$0.00	\$0.00

Consumption Charges:	Black Mountain District Rate		Kentucky-American Rate		Increase / (Decrease)	
	Per 1000	Per 100	Per 1000	Per 100	Per 1000	Per 100

Class	Gallons	Gallons	Gallons	Gallons	Gallons	Gallons	Gallons	% Increase
Residential Usage								
0-2000 Gal	\$ 28.6100	\$ 2.86100	\$ 7.8656	\$ 0.78656	\$ (20.7444)	\$ (2.07444)		-72.51%
Over 2000 Gal	\$ 10.0100	\$ 1.00100	\$ 7.8656	\$ 0.78656	\$ (2.1444)	\$ (0.21444)		-21.42%
Commercial Usage								
0-2000 Gal	\$ 28.6100	\$ 2.86100	\$ 8.0066	\$ 0.80066	\$ (20.6034)	\$ (2.06034)		-72.01%
Over 2000 Gal	\$ 10.0100	\$ 1.00100	\$ 8.0066	\$ 0.80066	\$ (2.0034)	\$ (0.20034)		-20.01%
Public Authority								
0-2000 Gal	\$ 28.6100	\$ 2.86100	\$ 8.0347	\$ 0.80347	\$ (20.5753)	\$ (2.05753)		-71.92%
Over 2000 Gal	\$ 10.0100	\$ 1.00100	\$ 8.0347	\$ 0.80347	\$ (1.9753)	\$ (0.19753)		-19.73%
Wholesale / Sales for Resale								
0-2000 Gal	\$ 6.0100	\$ 0.60100	\$ 8.3091	\$ 0.83091	\$ 2.2991	\$ 0.22991		38.25%
Over 2000 Gal	\$ 6.0100	\$ 0.60100	\$ 8.3091	\$ 0.83091	\$ 2.2991	\$ 0.22991		38.25%

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Witness: John Magner

7. Refer to the Joint Application, Exhibit 1, Recitals. Explain if Kentucky American intends to rehabilitate any of Black Mountain District's non-operational water treatment facilities.

Response:

No, based on due diligence evaluations of the non-operational water treatment plants, Kentucky American does not intend to rehabilitate these facilities.

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Witness: William A. Lewis

8. Refer to the Joint Application, Exhibit 1, Schedule 3.13, item 3. Provide Kentucky American's 2025 monthly Unaccounted-for Water Loss (Water Loss) data, including total water purchased, total water produced, internal water usage, and water sold.

Response:

Please see [KAW_R_PSCDR1_NUM008_060526_Attachment 1.pdf](#) for Kentucky American's 2025 monthly Unaccounted-for Water Loss data.

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility: Kentucky American Water - Total Company

For the Month of: January Year: 2025

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	1,287,408
3	Water Purchased	10,009
4	TOTAL PRODUCED AND PURCHASED	1,297,417
5		
6	WATER SALES	
7	Residential	535,488
8	Commercial	317,006
9	Industrial	32,417
10	Bulk Loading Stations	-
11	Wholesale	33,126
12	Public Authorities	92,198
13	Other Sales (explain) Fire Service Usage (Not Fire Dept)	758
14	TOTAL WATER SALES	1,010,993
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	1,270
18	Wastewater Plant	921
19	System Flushing	7,227
20	Fire Department	25
21	Other Usage (explain) Street Cleaning and other donated water)	-
22	TOTAL OTHER WATER USED	9,443
23		
24	WATER LOSS	
25	Tank Overflows	-
26	Line Breaks	3,712
27	Line Leaks	-
28	Excavation Damages	-
29	Theft	-
30	Other Loss	273,269
31	TOTAL WATER LOSS	276,981
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	21.35%

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility: Kentucky American Water - Total Company

For the Month of: February Year: 2025

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	1,113,162
3	Water Purchased	6,786
4	TOTAL PRODUCED AND PURCHASED	1,119,948
5		
6	WATER SALES	
7	Residential	507,915
8	Commercial	346,718
9	Industrial	43,553
10	Bulk Loading Stations	123
11	Wholesale	37,253
12	Public Authorities	88,364
13	Other Sales (explain) <u>Fire Service Usage (Not Fire Dept)</u>	670
14	TOTAL WATER SALES	1,024,596
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	182
18	Wastewater Plant	325
19	System Flushing	5,271
20	Fire Department	19
21	Other Usage (explain) <u>Street Cleaning and other donated water)</u>	-
22	TOTAL OTHER WATER USED	5,797
23		
24	WATER LOSS	
25	Tank Overflows	-
26	Line Breaks	1,620
27	Line Leaks	-
28	Excavation Damages	-
29	Theft	29
30	Other Loss	87,906
31	TOTAL WATER LOSS	89,555
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	8.00%

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility: Kentucky American Water - Total Company

For the Month of: March Year: 2025

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	1,193,549
3	Water Purchased	10,653
4	TOTAL PRODUCED AND PURCHASED	1,204,202
5		
6	WATER SALES	
7	Residential	440,055
8	Commercial	293,493
9	Industrial	37,826
10	Bulk Loading Stations	239
11	Wholesale	30,743
12	Public Authorities	88,529
13	Other Sales (explain) <u>Fire Service Usage (Not Fire Dept)</u>	560
14	TOTAL WATER SALES	891,445
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	221
18	Wastewater Plant	1,139
19	System Flushing	14,481
20	Fire Department	91
21	Other Usage (explain) <u>Street Cleaning and other donated water)</u>	-
22	TOTAL OTHER WATER USED	15,932
23		
24	WATER LOSS	
25	Tank Overflows	-
26	Line Breaks	630
27	Line Leaks	-
28	Excavation Damages	-
29	Theft	17
30	Other Loss	296,178
31	TOTAL WATER LOSS	296,825
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	24.65%

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility:

For the Month of: Year:

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	1,174,506
3	Water Purchased	10,941
4	TOTAL PRODUCED AND PURCHASED	1,185,447
5		
6	WATER SALES	
7	Residential	445,086
8	Commercial	288,276
9	Industrial	8,190
10	Bulk Loading Stations	353
11	Wholesale	20,990
12	Public Authorities	33,740
13	Other Sales (explain) <u>Fire Service Usage (Not Fire Dept)</u>	10,654
14	TOTAL WATER SALES	807,289
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	814
18	Wastewater Plant	385
19	System Flushing	17,137
20	Fire Department	63
21	Other Usage (explain) <u>Street Cleaning and other donated water</u>	-
22	TOTAL OTHER WATER USED	18,399
23		
24	WATER LOSS	
25	Tank Overflows	650
26	Line Breaks	2,239
27	Line Leaks	-
28	Excavation Damages	-
29	Theft	23
30	Other Loss	356,847
31	TOTAL WATER LOSS	359,759
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	30.35%

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility: Kentucky American Water - Total Company

For the Month of: May Year: 2025

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	1,270,181
3	Water Purchased	10,957
4	TOTAL PRODUCED AND PURCHASED	1,281,138
5		
6	WATER SALES	
7	Residential	478,564
8	Commercial	333,881
9	Industrial	80,305
10	Bulk Loading Stations	352
11	Wholesale	40,428
12	Public Authorities	165,330
13	Other Sales (explain) <u>Fire Service Usage (Not Fire Dept)</u>	(9,384)
14	TOTAL WATER SALES	1,089,476
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	588
18	Wastewater Plant	661
19	System Flushing	18,647
20	Fire Department	182
21	Other Usage (explain) <u>Street Cleaning and other donated water)</u>	-
22	TOTAL OTHER WATER USED	20,078
23		
24	WATER LOSS	
25	Tank Overflows	-
26	Line Breaks	3,392
27	Line Leaks	-
28	Excavation Damages	-
29	Theft	192
30	Other Loss	168,000
31	TOTAL WATER LOSS	171,584
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	13.39%

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility: Kentucky American Water - Total Company

For the Month of: June Year: 2025

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	1,324,046
3	Water Purchased	10,494
4	TOTAL PRODUCED AND PURCHASED	1,334,540
5		
6	WATER SALES	
7	Residential	524,901
8	Commercial	364,637
9	Industrial	13,555
10	Bulk Loading Stations	407
11	Wholesale	25,251
12	Public Authorities	86,004
13	Other Sales (explain) <u>Fire Service Usage (Not Fire Dept)</u>	408
14	TOTAL WATER SALES	1,015,163
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	318
18	Wastewater Plant	649
19	System Flushing	5,342
20	Fire Department	43
21	Other Usage (explain) <u>Street Cleaning and other donated water</u>	-
22	TOTAL OTHER WATER USED	6,352
23		
24	WATER LOSS	
25	Tank Overflows	-
26	Line Breaks	15,690
27	Line Leaks	-
28	Excavation Damages	-
29	Theft	33
30	Other Loss	297,303
31	TOTAL WATER LOSS	313,026
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	23.46%

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility: Kentucky American Water - Total Company

For the Month of: July Year: 2025

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	1,494,633
3	Water Purchased	10,997
4	TOTAL PRODUCED AND PURCHASED	1,505,630
5		
6	WATER SALES	
7	Residential	572,807
8	Commercial	394,933
9	Industrial	88,844
10	Bulk Loading Stations	515
11	Wholesale	43,308
12	Public Authorities	114,012
13	Other Sales (explain) <u>Fire Service Usage (Not Fire Dept)</u>	778
14	TOTAL WATER SALES	1,215,197
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	444
18	Wastewater Plant	423
19	System Flushing	5,522
20	Fire Department	35
21	Other Usage (explain) <u>Street Cleaning and other donated water</u>	-
22	TOTAL OTHER WATER USED	6,424
23		
24	WATER LOSS	
25	Tank Overflows	-
26	Line Breaks	7,938
27	Line Leaks	-
28	Excavation Damages	-
29	Theft	77
30	Other Loss	275,994
31	TOTAL WATER LOSS	284,009
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	18.86%

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Monthly Water Loss Report

Water Utility: Kentucky American Water - Total Company

For the Month of: August Year: 2025

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	1,567,219
3	Water Purchased	12,209
4	TOTAL PRODUCED AND PURCHASED	1,579,428
5		
6	WATER SALES	
7	Residential	651,096
8	Commercial	432,052
9	Industrial	67,628
10	Bulk Loading Stations	431
11	Wholesale	42,462
12	Public Authorities	139,307
13	Other Sales (explain) <u>Fire Service Usage (Not Fire Dept)</u>	422
14	TOTAL WATER SALES	1,333,398
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	4,020
18	Wastewater Plant	621
19	System Flushing	3,868
20	Fire Department	94
21	Other Usage (explain) <u>Street Cleaning and other donated water</u>	
22	TOTAL OTHER WATER USED	8,603
23		
24	WATER LOSS	
25	Tank Overflows	-
26	Line Breaks	5,081
27	Line Leaks	-
28	Excavation Damages	-
29	Theft	177
30	Other Loss	232,169
31	TOTAL WATER LOSS	237,427
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	15.03%

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility: Kentucky American Water - Total Company

For the Month of: September Year: 2025

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	1,501,526
3	Water Purchased	11,180
4	TOTAL PRODUCED AND PURCHASED	1,512,706
5		
6	WATER SALES	
7	Residential	665,306
8	Commercial	471,262
9	Industrial	56,423
10	Bulk Loading Stations/Misc	422
11	Wholesale	54,125
12	Public Authorities	169,440
13	Other Sales (explain) <u>Fire Service Usage (Not Fire Dept)</u>	1,047
14	TOTAL WATER SALES	1,418,025
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	406
18	Wastewater Plant	395
19	System Flushing	3,916
20	Fire Department	24
21	Other Usage (explain) <u>Street Cleaning and other donated water</u>	
22	TOTAL OTHER WATER USED	4,741
23		
24	WATER LOSS	
25	Tank Overflows	-
26	Line Breaks	10,961
27	Line Leaks	-
28	Excavation Damages	-
29	Theft	124
30	Other Loss	78,855
31	TOTAL WATER LOSS	89,940
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	5.95%

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility:

Kentucky American Water - Total Company

the Month of:

October

Year:

2025

LINE #	ITEM	GALLONS (Omit 000's)
1	PRODUCED AND PURCHASED	
2	Water Produced	1,351,622
3	Water Purchased	26,574
4	TOTAL PRODUCED AND PURCHASED	1,378,196
5		
6	WATER SALES	
7	Residential	518,338
8	Commercial	384,347
9	Industrial	54,743
10	Bulk Loading Stations/Misc	2,294
11	Wholesale	46,420
12	Public Authorities	123,224
13	Other Sales (explain) <u>Fire Service Usage (Not Fire Dept)</u>	723
14	TOTAL WATER SALES	1,130,089
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	376
18	Wastewater Plant	426
19	System Flushing	5,198
20	Fire Department	4
21	Other Usage (explain) <u>Street Cleaning and other donated water</u>	155
22	TOTAL OTHER WATER USED	6,159
23		
24	WATER LOSS	
25	Tank Overflows	-
26	Line Breaks	8,461
27	Line Leaks	-
28	Excavation Damages	-
29	Theft	
30	Other Loss	233,487
31	TOTAL WATER LOSS	241,948
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	17.56%

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility: Kentucky American Water - Total Company

For the Month of: November Year: 2025

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	1,129,542
3	Water Purchased	29,956
4	TOTAL PRODUCED AND PURCHASED	1,159,498
5		
6	WATER SALES	
7	Residential	520,843
8	Commercial	352,928
9	Industrial	42,265
10	Bulk Loading Stations/Misc	1,219
11	Wholesale	32,601
12	Public Authorities	97,687
13	Other Sales (explain) <u>Fire Service Usage (Not Fire Dept)</u>	589
14	TOTAL WATER SALES	1,048,132
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	195
18	Wastewater Plant	394
19	System Flushing	3,822
20	Fire Department	7
21	Other Usage (explain) <u>Street Cleaning and other donated water</u>	192
22	TOTAL OTHER WATER USED	4,610
23		
24	WATER LOSS	
25	Tank Overflows	-
26	Line Breaks	8,380
27	Line Leaks	-
28	Excavation Damages	-
29	Theft	-
30	Other Loss	98,376
31	TOTAL WATER LOSS	106,756
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	9.21%

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility: Kentucky American Water - Total Company

For the Month of: December Year: 2025

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED AND PURCHASED	
2	Water Produced	1,167,753
3	Water Purchased	26,090
4	TOTAL PRODUCED AND PURCHASED	1,193,843
5		
6	WATER SALES	
7	Residential	444,935
8	Commercial	288,458
9	Industrial	40,283
10	Bulk Loading Stations/Misc	538
11	Wholesale	26,727
12	Public Authorities	90,679
13	Other Sales (explain) <u>Fire Service Usage (Not Fire Dept)</u>	446
14	TOTAL WATER SALES	892,066
15		
16	OTHER WATER USED	
17	Utility and/or Water Treatment Plant	1,605
18	Wastewater Plant	462
19	System Flushing	730
20	Fire Department	5
21	Other Usage (explain) <u>Street Cleaning and other donated water</u>	177
22	TOTAL OTHER WATER USED	2,979
23		
24	WATER LOSS	
25	Tank Overflows	-
26	Line Breaks	10,661
27	Line Leaks	-
28	Excavation Damages	-
29	Theft	-
30	Other Loss	288,137
31	TOTAL WATER LOSS	298,798
32		
33	Note: Line 14 + Line 22 + Line 31 MUST Equal Line 4	
34		
35	WATER LOSS PERCENTAGE	
36	(Line 31 divided by Line 4)	25.03%

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2026-00097
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Witness: Emily Bytnar

9. Refer to the Joint Application, Exhibit 1, Schedule 3.15 at unnumbered page 67 of 77. Refer also to the Direct Testimony of John Watkins (Watkins Direct Testimony) in Case No. 2026-00094³ at 16, where Kentucky-American states that the negotiated purchase price for Black Mountain District is approximately \$1.2 million. Reconcile the agreed-upon value of the purchase price of Black Mountain District's system. Further, provide the calculation showing the decrease in the purchase price.

Response:

Please see Joint Application, Exhibit 1 at numbered page 4 (page 23 of 77). The "Purchase Price" is defined as the lesser of the value of Seller Indebtedness or \$1,500,000.

Joint Application, Exhibit 1, Schedule 3.15 is a summary of outstanding liabilities as of April 10, 2026. This does not reflect any additional liabilities incurred or payments of outstanding liabilities from available cash occurring between the statement date and the transaction's closing. Kentucky-American currently expects the net impact of that activity to be approximately \$300,000 for a reduction to the final purchase price of approximately \$1,200,000.

³ Case No. 2026-00094, *Electronic Application of Kentucky-American Water Company for an Adjustment of Rates, Approval of System Improvement Program, and Tariff Changes.*

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2026-00097
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Witness: Emily Bytnar

10. Refer to Case No. 2023-00202⁴ generally. Explain whether Kentucky-American will receive Black Mountain District's surcharge funds as part of the transfer. If so, explain whether Kentucky-American plans to utilize these funds for improvements to Black Mountain District's systems. If not, explain why not.

Response:

This transaction is not one in which Kentucky-American is assuming ownership or control of Black Mountain the entity. Instead, this transaction is for the purchase of Black Mountain's assets which Kentucky-American will use to serve Black Mountain customers who will become Kentucky-American customers at closing. As a result, Kentucky-American is not anticipating receiving the surcharge funds at this time. Black Mountain Utility District's filed May 15, 2026, Monthly Water Loss Report in Case No. 2023-00202 indicates it is holding \$246,556.99 for its water loss surcharge. Kentucky-American would propose that Black Mountain Utility District use the water loss surcharge to pay down its existing debt that was incurred for capital system improvements prior to any closing with Kentucky-American.

⁴ Case No. 2023-00202, *Electronic Filing of Black Mountain Water District Unaccounted For Water Loss Reduction Plan, Surcharge And Monitoring*.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2026-00097
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Witness: William A. Lewis

11. Refer to PSC Letter Filing IC Memo and Attendance List into the Record (filed May 8, 2026). Provide the Kentucky-American welcome packet that it plans to send to Black Mountain District's customers if the transfer is approved.

Response:

Kentucky-American has not yet prepared the specific letter that will be sent to Black Mountain District's customers. However, attached as KAW_R_PSCDR1_NUM011_060526_Attachment 1, is a letter that was sent to the City of Livingston's customers; this letter is intended as an example of the letter that will be sent to Black Mountain District's customers.



Welcome



How to Read Your Bill

We aim to make doing business with us as easy as possible. Your bill is designed to provide information you need to know about your account. Key information is provided on the first page. Then, if you want to dive a little deeper into the details, we include more information on the following pages. Here's a quick overview of what you'll find.

Statement Page 1 of 4

Account No: 1012-9999999999

Payment Due By: March 30, 2026

Total Amount Due: \$45.35

Service Address:
123 YOUR ST
CITY, KY 40308-9999

THANK YOU FOR BEING OUR CUSTOMER

Important Account Messages

Account Summary - See page 3 for Account Detail

Prior Billing: \$32.21
Payments - Thank You! \$32.21
Balance Forward: \$0.00
Service Related Charges: \$42.45
Taxes: \$2.90
Total Amount Due: \$45.35

Messages from Kentucky American Water Page 2 of 4

• Welcome to American Water! We're proud to serve you and continually look for ways to make doing business with us easy. From touch-the-clock emergency use to safe-to-drink-reports, your satisfaction is our priority. Check out My Account, our online tool where you can manage your bill, sign up for payment alerts, track water use and choose how you receive alerts and more. Visit the "For New Customers" page on our website for more information.

KEEP CONTACT INFORMATION UPDATED
We're here to help you. Please keep your contact information up to date. If you have any questions, please call us at 1-800-678-6301. We'll be happy to help you. Thank you for being a customer of American Water.

CUSTOMER SERVICE: 1-800-678-6301
TTY/TDD FOR THE HEARING IMPAIRED: 711
LOCAL OFFICE: 2026 Richmond Road | Lexington

Meter Reading and Usage Summary Page 3 of 4

Meter No.	Reading	Size	Flow Class	TS Date	Previous Read	Current Read	Water Units	Billing Date	Total Gallons
A-Actual	100 gal	3/17	00100000	03/03/2026	1,121.00	1,138.00	37	3/30	3,700
B-Station	100 gal	3/17	00100000	03/03/2026	1,121.00	1,138.00	37	3/30	3,700

Next Scheduled Read Date: on or about July 10, 2025

Account Type: Residential

Bill Usage History (graph shown in 100 gallons)

Average daily use for this period is: **119 gallons** (31 days)

Year to Date Bill Usage: 10,400 gallons

Account Detail

Account No: 1012-9999999999
Service To: 123 YOUR ST CITY, KY 40308

Payments

Total payments as of May 28, 2026: **\$0.00**

Service Related Charges - 05/19/25 to 06/09/25

Water Service Charge: 17.65
Water Usage Charge (37 x \$0.4729): 24.90

Total Service Related Charges: 42.45

Franchise Taxes: 2.90
School District Tax: 1.45

Total Current Period Charges: 45.35

Total Amount Due: \$45.35



WELCOME TO KENTUCKY AMERICAN WATER! You're in good hands.

Every day, our team of experts delivers millions of gallons of high-quality water and/or wastewater service to approximately 550,000 people in 14 counties across the state.

We recognize the trust our customers place in us to provide them with safe, clean, reliable and affordable water and wastewater service to their homes or businesses. It's a responsibility we take seriously. Whether it be meeting or surpassing drinking water standards, protecting our precious water resources or investing millions in system upgrades, we push ourselves to improve.

We are excited and committed to delivering that same standard of excellence to you. Enclosed is helpful information about our company and the services we offer. And, if you need us, we're here to assist.

Sincerely,

Rob Burton
President

HOW TO REACH US

Customer Service: 1-800-678-6301

Hours: Monday–Friday, 7 a.m. to 7 p.m. ■ For Emergencies: We're available 24/7



You can also manage your account online by signing up for MyWater at amwater.com/mywater.

1

- Your account number.
- Easy to find amount due and due date.
- Important messages related to your account.
- High-level account summary.

2

- Important messages and educational information, from tips on how to save water and prevent frozen pipes, to information on the services we offer to make doing business with us easier.
- Helpful information related to ways to pay your bill, your rates, payment arrangements, estimated bills and more.

3

- Account details and a description of charges.
- Meter reading information.
- Water usage graph. (This can be a useful tool to see how much water you use throughout the year to help identify ways to save water and money!)

Each month, we may also include additional pages that focus on topics or services that are useful for you.

For more information on how to read your bill, visit kentuckyamwater.com. Under **Customer Service & Billing**, select **Billing & Payment Info**, then **How to Read Your Bill**.



CUSTOMER SERVICE YOUR WAY

Customer Assistance

At Kentucky American Water, we have programs and resources for customers facing financial hardship. Through our H2O Help to Others Program™, residential customers who qualify can receive grants of up to \$250 a year.


Scan the QR code or visit kentuckyamwater.com/H2O to learn more. To see if you qualify, contact the Community Action Council, our program administrator, at 859-233-4600.




At your fingertips — Anytime, Anywhere

Prefer to handle your business online? **MyWater** is the answer. You can:

- View and pay your bill.
- Sign up for our Auto Pay and Paperless Billing programs.
- Turn water service on or off.
- Report a water or wastewater emergency.
- Update your contact information.
- Enroll in budget billing or see if you qualify for an installment plan.
- View your water use history to identify the months when you used the most water so you can make simple changes at home to save water and money.

 **Tell us how you want to receive emergency and general alerts.** We use a mass notification system to alert customers via phone, text and email when water emergencies occur.* On MyWater, you choose how you want to be notified. You can also opt in for general alerts.

* Standard text, data and phone rates may apply.

 **Sign up for MyWater**
Once you receive your account number with your first bill, register for MyWater online at amwater.com/mywater.

Guard Against Utility Imposters

Pretending to be a utility worker is a trick some criminals use to gain access to homes. All of our service personnel wear logoed clothing, drive logoed vehicles and have company-issued photo ID badges. At times, we may have contractors performing work in your area. Those individuals will also have identification representing their work for us.

Plus, we never collect money or credit card information from customers during a service visit. If you suspect an imposter is at your door, don't allow him or her in, and call us to confirm it's our service person.

Rights & Responsibilities

Learn more about your rights and responsibilities as a utility customer. Visit kentuckyamwater.com. Under Customer Service & Billing, select "Rights & Responsibilities" or call our Customer Service Center.

Payment Options

Auto Pay

Enroll in Auto Pay, and your bill will be paid on time, every time, automatically on the due date. No stamps required. You can choose to have your monthly bill automatically applied to your credit card* or deducted directly from your checking or savings account.

Online

Visit amwater.com/billpay* or pay online using MyWater.

By Mail

Mail your check to the address provided on your bill. No cash, staples or paper clips, please.

By Phone

Call 1-855-748-6066* (24/7).

In Person

To find an authorized payment location near you, visit kentuckyamwater.com. Under Pay Bill, select Pay In Person.

Through a Third Party

If someone handles paying your bills, like a relative or trustee, we can send a copy of your bill and any past-due or shut-off notices to that third party.

Preferred Due Date

You may be eligible to adjust your due date. Visit MyWater to learn more.

*A \$1.95 third-party transaction fee may apply. Avoid the transaction fee by paying directly from your bank account (via Electronic-Check) through MyWater at amwater.com/mywater.



Quality on Tap

We have an exceptional track record when it comes to water quality and drinking water regulatory compliance. Our water quality and treatment plant operators perform thousands of tests every year for more than 90 regulated contaminants. Plus, we have access to American Water's Central Laboratory, which conducts sophisticated drinking water testing and analysis. Learn more about the quality of your drinking water by viewing your community's water quality report online at kentuckyamwater.com/wqreports.

Replacing Lead Service Lines

We're replacing lead and galvanized water service lines over the course of the next several years. First, we need to know where they are (and aren't).



For new water customers: Over the next few weeks, we'll update our online inventory map with information about your service line. If your customer-owned service line material is unknown to us, you can help by self-identifying and reporting your service line material online.



- **Scan** the QR code.
- **Follow** the instructions, answer a few questions and upload a photo of your service line material.
- **Click "Submit."**

Learn more at kentuckyamwater.com/leadfacts.



Local to the Core

We're active in our communities. Here are a few of our programs:

- Environmental support and sponsorships
- Firefighting support grants
- Plant tours
- H2O to Go water trailer
- Community events

Learn more at kentuckyamwater.com. Under News & Community, select Community Giving.

Like, Follow & Watch Us

-  facebook.com/KentuckyAmericanWater
-  x.com/kyamwater
-  instagram.com/kyamwater
-  youtube.com/kyamwater

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2026-00097
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Witness: William A. Lewis

12. Provide a brief overview of the benefits customers will receive from taking service under Kentucky-American.

Response:

New customers to Kentucky-American receive a number of benefits. At the forefront for Black Mountain District customers is gaining access to reliable and adequate water service. At a high level, our acquisitions have been driven by our mission and regulatory obligation to provide safe and reliable service. For example, in instances where smaller or resource-constrained systems are struggling to meet operational, staffing or regulatory demands, Kentucky-American may be a solutions-provider for the community. By bringing these systems into Kentucky-American's operations, customers benefit from the Company's experienced personnel, established operational practices, and access to capital—resulting in improved reliability, compliance, and long-term service stability.

As the Commission is aware, the City of Livingston had previously experienced difficulties with service interruptions, operational capacity limitations, or compliance challenges due to limited local resources and the Commission authorized Kentucky-American to acquire the City of Livingston's system. If approved by the Commission, the Black Mountain District customers' challenges can similarly be addressed like those from the City of Livingston. Kentucky-American will be able to leverage its workforce, operational best practices, and financial resources to address these issues and provide customers with more consistent and compliant service. Finally, acquisitions create benefits for both new and existing customers and support Kentucky-American's mission to service as a long-term solution for communities in need, such as Black Mountain District.

By adding new service areas, Kentucky-American expands its customer base, which over time allows us to spread fixed costs across more customers, which benefits new and legacy customers. This larger scale creates both operational and purchasing efficiencies, and things such as chemicals, equipment, and technology and specialized expertise (such as water quality, engineering, and customer support teams) are shared across a wider service area, which helps to smooth rate impacts. As an example for the Black Mountain District, it is not currently monitored by SCADA and relies upon employees to manually control and monitor pumping and storage systems. This is a very inefficient use of labor, leads to water service failures, and can increase water loss. Upon closing, Kentucky-American will install and integrate the Black Mountain water system into the Company's comprehensive SCADA management program. This will allow Kentucky-American staff to respond quickly to distribution system issues, will allow Kentucky-American to transfer system staffing from system monitoring and control operations to system

repair and maintenance activities, and will mitigate preventable water loss resulting from storage tank overflows.

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2026-00097
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Witness: William A. Lewis

13. Provide documentation of any communications between the Joint Applicants and the Energy and Environment Cabinet (EEC) or Division of Water (DOW) regarding the Joint Application.

Response: See the attached.

From: [Givan, Ethan \(EEC\)](#)
To: [Alicia M Jacobs](#); [Stewart, Kevin R \(EEC\)](#); [Lipps, Matt M \(EEC\)](#)
Subject: RE: Chat re: Black Mountain Water District Systems - KY Acquisition
Date: Wednesday, May 27, 2026 4:20:47 PM
Attachments: [image001.png](#)

CAUTION: This Message Is from an External Email Address

Verify the sender before responding or opening links or attachments.

[Report Suspicious](#)

Hi Alicia,

That sounds good, below are some dates we are available currently:

June 16, anytime that morning
June 17, anytime that afternoon
June 18, 12 – 2:30

Let me know if a different week would work better.

Thanks,
Ethan

From: Alicia M Jacobs [REDACTED]
Sent: Wednesday, May 27, 2026 1:00 PM
To: Stewart, Kevin R (EEC) [REDACTED]; Givan, Ethan (EEC) [REDACTED]
Lipps, Matt M (EEC) [REDACTED] >
Subject: Chat re: Black Mountain Water District Systems - KY Acquisition

Good afternoon -

I wondered if we might get something on the schedule to chat about the KY American Black Mountain acquisition sometime, later in June.

We are currently looking at September for a potential acquisition date and I would like to start the conversation on consolidating these systems and possible approaches based on the data and information we have from these 8 systems.

Let me know availabilities and I can send a teams invite or plan a visit to DOW. I know things get busy quick!

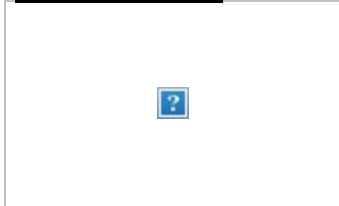
Alicia

Alicia Jacobs

Kentucky American Water

2300 Richmond Road | Lexington, Kentucky 40502 |

Mobile: [REDACTED]



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KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2026-00097
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Witness: William A. Lewis

14. Describe any efficiencies the transfer creates within the Kentucky-American water system.

Response:

This transaction provides efficiencies for both existing Black Mountain District customers and existing KAWC customers in terms of operational and financial scale. The Black Mountain District water system is currently a resale customer of both the City of Harlan and the City of Pineville. The Black Mountain District system is not currently monitored by SCADA and relies upon employees to manually control and monitor pumping and storage systems. This is a very inefficient use of labor, leads to water service failures, and can increase water loss. Upon closing, the Company will install and integrate the Black Mountain District water system into the Company's comprehensive SCADA management program. This will allow Company staff to respond quickly to distribution system issues, will allow the Company to transfer system staffing from system monitoring and control operations to system repair and maintenance activities, and will mitigate preventable water loss resulting from storage tank overflows.

The acquisition of the Black Mountain District water system along with the recent Water Services Corporation of Kentucky, (Middlesboro water system) will enable the Company to regionalize its water system operations within KAWC's Southern operating region. This operational improvement will leverage the combined labor, operational knowledge, technical engineering support, water quality and environmental support, and employee safety support across multiple operating districts without requiring duplicate stand-alone resources for Black Mountain. In addition to local resources, the Company will continue to leverage its existing state-wide operations, engineering, legal, government affairs, and finance teams to support Black Mountain operations thereby providing additional efficiencies. Black Mountain operations will benefit from American Water Works Service Company resources such as information technology, customer service, supply chain, and other national resources that existing KAWC customers already benefit from.

The Company has a well-equipped fleet of construction and maintenance equipment that can support the Black Mountain utility system, in addition to fleet and equipment that can be leveraged from nearby operations in Middlesboro that the Company recently acquired. The Company also has treatment plant and distribution supervisors, as well as emergency personnel on call, around the clock, for immediate dispatch.

The Company has a variety of customer service conveniences for our customers including a toll-free line that is staffed 24 hours a day and can dispatch local crews for emergency calls. Additionally, customers may log into MyWater online to report an emergency, request turn on or turn off service, open a water quality inquiry, make payments, or review billing history, and enroll in budget billing, auto-pay, or paperless billing. Customers with AMI meters may also see hourly reads for the most recent day and daily reads for the most recent month, empowering them to avoid high bills and better manage their water consumption. In addition, we have our Customer Advocacy department available to provide an elevated level of customer care.

The Company has a highly skilled and specialized workforce, such as leak detection capabilities. KAWC has focused on an aggressive leak detection program for many years and has been recognized as an expert in this field assisting other water utilities where they have struggled to locate serious leaks within their systems. The Company employs a variety of leak detection technologies, including acoustic monitoring equipment, leak correlation devices to accurately pinpoint the location of non-surfacing leaks as well as satellite-based leak detection efforts.

After joining KAWC, Black Mountain customers can benefit from the purchasing power and capital access of a much larger organization. American Water Works Service Company's national vendor contracts yield favorable pricing on meters, pipe, hydrants, valves, equipment, and other supplies. Likewise, the Company's customers benefit from capital market access at favorable costs facilitated by American Water Capital Corporation.

Lastly, by adding new service areas, the Company expands its customer base, which over time allows the Company to spread fixed costs across more customers. This larger scale creates both operational and purchasing efficiencies, and things such as chemicals, equipment, and technology and specialized expertise (such as water quality, engineering, and customer support teams) are shared across a wider service area, which helps to smooth rate impacts.