

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

Witness: Emily Bytnar

1. Refer to the Kentucky-American's Application provided in Case No. 2026-00094.²
 - a. Provide a copy of the customer notice from Case No. 2026-00094.
 - b. Explain whether Kentucky-American notified Black Mountain District's customers in accordance with 807 KAR 5:001, Section 17(2) in Case No. 2026-00094.

Response:

- a. Please see KAW_R_PSCDR2_NUM001_060826_Attachment 1.pdf for the customer notice published from Case No. 2026-00094.
- b. Black Mountain District's customers are proposed to take service under Kentucky-American's existing tariff and rates at close of the transaction, and they were directly referenced and included in the initial section referencing the current and proposed impacts for "KENTUCKY AMERICAN WATER/BLACK MOUNTAIN" customers.
The notice included in KAW_R_PSCDR2_NUM001_060826_Attachment 1.pdf was published in the Cumberland Tri-City News in Harlan County in accordance with 807 KAR 5:001, Section 17(2)'s prescribed frequency and timing.

² 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. 2026-00094
FORECASTED TEST PERIOD FILING REQUIREMENTS
EXHIBIT NO. 7**

Description of Filing Requirement:

Customer Notices

Response:

Please see attached.

For electronic version, see [KAW_APP_EX07_051526.pdf](#).

NOTICE

Kentucky-American Water Company ("Kentucky American Water") expects to file on May 15, 2026, an application with the Kentucky Public Service Commission proposing to increase annual water service revenues by approximately 10.88%. The proposed annual revenue increases by customer classification are: Residential: \$14,115,881 or 16.52%; Commercial: \$8,093,093 or 18.61%; Industrial: \$1,040,621 or 22.92%; Other Public Authority: \$60 or 0.0005%; Sales for Resale: \$106,870 or 4.92%; Private Fire Service and Hydrants: \$37,791 or 0.73%; Miscellaneous ("Bulk Sales of Water through Loading Stations"): \$4,884 or 3.13%. The proposed annual revenue decreases by customer classification are: Public Fire Hydrants: \$5,826,544 or 84.09%. The proposed effective date of rates is for service rendered on and after June 14, 2026. Kentucky American Water has requested proposed rates be implemented to all customer classifications as shown below:

KENTUCKY AMERICAN WATER/BLACK MOUNTAIN

Average Monthly Bills:

	Monthly Usage (gallons)	Current Average Bill	Proposed Average Bill	\$ Change	% Change
Residential (5/8")	4,032	\$51.60	\$59.82	\$8.22	15.93%
Commercial (5/8")	36,786	314.42	375.74	61.32	19.50%
Industrial (2")	1,691,047	12,139.30	14,574.09	2,434.79	20.06%
Other Public Authority (2")	126,350	1,175.03	1,170.88	(4.15)	(0.35%)
Sales for Resale (4")	1,194,780	10,422.40	10,978.81	556.41	5.34%
Miscellaneous (1")	8,905	99.22	96.10	(3.12)	(3.14%)
Private Fire Hydrant	N/A	120.00	120.00	0.00	0.00%
Public Fire Hydrant	N/A	75.00	11.53	(63.47)	(84.63%)
Private Fire Line (6")	N/A	125.55	125.55	0.00	0.00

Proposed Rate Change for all customers:

Monthly Service Charge by Meter Size:

Meter Size	Present Rate	Proposed Rate	\$ Change	% Change
5/8"	\$19.89	\$21.70	\$1.81	9.10%
3/4"	29.75	32.50	2.75	9.24%
1"	49.45	53.90	4.45	9.00%
1 1/2"	98.95	108.00	9.05	9.15%
2"	158.40	172.80	14.40	9.09%
3"	296.85	323.90	27.05	9.11%
4"	494.85	539.90	45.05	9.10%
6"	989.40	1,079.40	90.00	9.10%
8"	1,583.05	1,727.10	144.05	9.10%

Consumption Charges:

Class	Present Rate		Proposed Rate		\$ Change		%
	Per 1,000 Gallons	Per 100 Gallons	Per 1,000 Gallons	Per 100 Gallons	Per 1,000 Gallons	Per 100 Gallons	
Residential	\$7.8656	\$0.78656	\$9.4547	\$0.94547	\$1.5891	\$0.15891	20.20%
Commercial	8.0066	0.80066	9.6242	0.96242	1.6176	0.16176	20.20%
Industrial	7.0849	0.70849	8.5162	0.85162	1.4313	0.14313	20.20%
Other Public Authority	8.0347	0.80347	7.8881	0.78881	(0.1466)	(0.01466)	(1.82%)
Sales for Resale	8.3091	0.83091	8.7371	0.87371	0.4280	0.04280	5.15%
Miscellaneous	Per 100 Gallons	Per 50 Gallons	Per 100 Gallons	Per 50 Gallons	Per 100 Gallons	Per 50 Gallons	% Change
	\$0.55892	\$0.27946	\$0.47387	\$0.23694	(\$0.08505)	(\$0.04252)	(15.22%)

Fire Protection:

Private Fire Line Size	Current Monthly Rate	Proposed Monthly Rate	\$ Change	% Change
2"	\$14.00	\$14.00	\$0.00	0.00%
4"	56.00	56.00	0.00	0.00%
6"	125.55	125.55	0.00	0.00%
8"	223.00	223.00	0.00	0.00%
10"	348.25	348.25	0.00	0.00%
12"	521.25	521.25	0.00	0.00%
14"	502.00	502.00	0.00	0.00%
16"	891.50	891.50	0.00	0.00%
Private Fire Hydrant	120.00	120.00	0.00	0.00%
Public Fire Hydrant	75.00	11.53	(63.47)	(84.63%)

LIVINGSTON

Average Monthly Bills:

	Monthly Usage (gallons)	Current Average Bill	Proposed Average Bill	\$ Change	% Change
Residential (5/8")	4,067	\$52.71	\$60.15	\$7.44	14.11%
Commercial (5/8")	36,944	417.97	377.26	(40.71)	(9.74%)
Industrial (2")					
Other Public Authority (2")		No Livingston customers or service are currently classified as Industrial, Other Public Authority,			
Sales for Resale (4")		Sale for Resale, Miscellaneous, Private Fire Hydrant, Public Fire Hydrant or Private Fire Line.			
Miscellaneous (1")					
Private Fire Hydrant					
Public Fire Hydrant					
Private Fire Line (6")					

Proposed Rate Change for all customers:

Monthly Service Charge by Meter Size:

Meter Size	Present Rate	Proposed Rate	\$ Change	% Change
5/8"	\$29.74	\$21.70	(\$8.04)	(27.03%)
3/4"	29.74	32.50	2.76	9.28%
1"	29.74	53.90	24.16	81.24%
1 1/2"	29.74	108.00	78.26	263.15%
2"	29.74	172.80	143.06	481.04%
3"	29.74	323.90	294.16	989.11%
4"	29.74	539.90	510.16	1,715.40%
6"	29.74	1,079.40	1,049.66	3,529.46%
8"	29.74	1,727.10	1,697.36	5,707.33%

Consumption Charges:

Class	Present Rate		Proposed Rate		\$ Change		%
	Per 1,000 Gallons	Per 100 Gallons	Per 1,000 Gallons	Per 100 Gallons	Per 1,000 Gallons	Per 100 Gallons	
Residential							
0-2,000 Gallons	\$0.0000	\$0.00000	\$9.4547	\$0.94547	\$9.4547	\$0.94547	New Rate
Over 2,000 Gallons	11.1100	1.11100	9.4547	0.94547	(1.6553)	(0.16553)	(14.90%)
Commercial							
0-2,000 Gallons	\$0.0000	\$0.00000	\$9.6242	\$0.96242	\$9.6242	\$0.96242	New Rate
Over 2,000 Gallons	11.1100	1.11100	9.6242	0.96242	(1.4858)	(0.14858)	(13.37%)
Industrial							
0-2,000 Gallons	\$0.0000	\$0.00000	\$8.5162	\$0.85162	\$8.5162	\$0.85162	New Rate
Over 2,000 Gallons	11.1100	1.11100	8.5162	0.85162	(2.5938)	(0.25938)	(23.35%)
Other Public Authority							
0-2,000 Gallons	\$0.0000	\$0.00000	\$7.8881	\$0.78881	\$7.8881	\$0.78881	New Rate
Over 2,000 Gallons	11.1100	1.11100	7.8881	0.78881	(3.2219)	(0.32219)	(29.00%)
Sales for Resale							
All Usage	\$3.6900	\$0.36900	\$8.7371	\$0.87371	\$5.0471	\$0.50471	136.78%
Miscellaneous	Per 100 Gallons	Per 50 Gallons	Per 100 Gallons	Per 50 Gallons	Per 100 Gallons	Per 50 Gallons	% Change
All Usage	\$0.00000	\$0.00000	\$0.47387	\$0.23694	\$0.47387	\$0.23694	New Rate

Fire Protection:

Private Fire Line Size	Current Monthly Rate	Proposed Monthly Rate	\$ Change	% Change
2"	\$0.00	\$14.00	\$14.00	New Rate
4"	\$0.00	56.00	56.00	New Rate
6"	\$0.00	125.55	125.55	New Rate
8"	\$0.00	223.00	223.00	New Rate
10"	\$0.00	348.25	348.25	New Rate
12"	\$0.00	521.25	521.25	New Rate
14"	\$0.00	502.00	502.00	New Rate
16"	\$0.00	891.50	891.50	New Rate
Private Fire Hydrant	\$0.00	120.00	120.00	New Rate
Public Fire Hydrant	\$0.00	11.53	11.53	New Rate

BELL AND HICKMAN COUNTIES

Average Monthly Bills:

	Monthly Usage (gallons)	Current Average Bill	Proposed Average Bill	\$ Change	% Change
Residential (5/8")	3,286	\$38.31	\$52.77	\$14.46	37.74%
Commercial (5/8")	10,455	87.45	122.32	34.87	39.87%
Industrial (2")	327,859	1,889.49	2,964.91	1,075.42	56.92%
Other Public Authority (2")	21,788	275.58	344.67	69.09	25.07%
Sales for Resale (4")	No Bell and Hickman County customers or services are currently classified as Sale for Resale or Miscellaneous.				
Miscellaneous (1")					
Private Fire Hydrant	N/A	46.16	120.00	73.84	159.97%
Public Fire Hydrant	N/A	10.20	11.53	1.33	13.04%
Private Fire Line (6")	N/A	46.16	125.55	79.39	171.99%

Proposed Rate Change for all customers:

Monthly Service Charge by Meter Size:

Meter Size	Present Rate	Proposed Rate	\$ Change	% Change
5/8"	\$15.78	\$21.70	\$5.92	37.52%
3/4"	15.78	32.50	16.72	105.96%
1"	39.45	53.90	14.45	36.63%
1 1/2"	78.89	108.00	29.11	36.90%
2"	126.22	172.80	46.58	36.90%
3"	236.66	323.90	87.24	36.86%
4"	394.44	539.90	145.46	36.88%
6"	788.87	1,079.40	290.53	36.83%
8"	0.00	1,727.10	1,727.10	New Rate

Consumption Charges:

Class	Present Rate		Proposed Rate		\$ Change		%
	Per 1,000 Gallons	Per 100 Gallons	Per 1,000 Gallons	Per 100 Gallons	Per 1,000 Gallons	Per 100 Gallons	

Class	Gallons	Gallons	Gallons	Gallons	Gallons	Gallons	Increase
Residential							
0-100,000 Gallons	\$6.8550	\$0.68550	\$9.4547	\$0.94547	\$2.5997	\$0.25997	37.92%
Over 100,000 Gallons	4.7300	0.47300	9.4547	0.94547	4.7247	0.47247	99.89%
Commercial							
0-100,000 Gallons	\$6.8550	\$0.68550	\$9.6242	\$0.96242	\$2.7692	\$0.27692	40.40%
Over 100,000 Gallons	4.7300	0.47300	9.6242	0.96242	4.8942	0.48942	103.47%
Industrial							
0-100,000 Gallons	\$6.8550	\$0.68550	\$8.5162	\$0.85162	\$1.6612	\$0.16612	24.23%
Over 100,000 Gallons	4.7300	0.47300	8.5162	0.85162	3.7862	0.37862	80.05%
Other Public Authority							
0-100,000 Gallons	\$6.8550	\$0.68550	\$7.8881	\$0.78881	\$1.0331	\$0.10331	15.07%
Over 100,000 Gallons	4.7300	0.47300	7.8881	0.78881	3.1581	0.31581	66.77%
Sales for Resale							
All Usage	\$2.4890	\$0.24890	\$8.7371	\$0.87371	\$6.2481	\$0.62481	251.03%
	Per 100 Gallons	Per 50 Gallons	Per 100 Gallons	Per 50 Gallons	Per 100 Gallons	Per 50 Gallons	% Change
Miscellaneous							
All Usage	\$0.00000	\$0.00000	\$0.47387	\$0.23694	\$0.47387	\$0.23694	New Rate

Fire Protection:						
Private Fire Line Size		Current Monthly Rate	Proposed Monthly Rate	\$ Change	% Change	
2"		\$46.16	\$14.00	(\$32.16)	(69.67%)	
4"		46.16	56.00	9.84	21.32%	
6"		46.16	125.55	79.39	171.99%	
8"		46.16	223.00	176.84	383.10%	
10"		46.16	348.25	302.09	654.44%	
12"		46.16	521.25	475.09	1,029.22%	
14"		46.16	502.00	455.84	987.52%	
16"		46.16	891.50	845.34	1,831.33%	
Private Fire Hydrant		46.16	120.00	73.84	159.97%	
Public Fire Hydrant		10.20	11.53	1.33	13.04%	
Ambleside Private Fire Surcharge		4.59	4.59	0.00	0.00%	

Kentucky American Water has also proposed additions to its tariff to include a System Improvement Program surcharge that would apply to Residential, Commercial, Industrial, Other Public Authority, Sale for Resale, Public and Private Fire Service classifications for qualified infrastructure investments. This surcharge would be calculated annually based on forecasted qualified infrastructure costs and applied to each customer's monthly bill. Kentucky American Water is also proposing tariff revisions to (1) clarify its ability to inspect existing plumbing and (2) provide flexibility regarding the advance payment terms for private fire hydrants.

In the preceding paragraphs, "Black Mountain" refers to customers served by Black Mountain Utility District, as Kentucky American Water and Black Mountain have submitted a request to the Commission in Case No. 2026-00097 to transfer control of Black Mountain's assets to Kentucky American Water. Kentucky American Water is also including a request in this rate case regarding the valuation of the Black Mountain acquisition. "Livingston" refers to customers served by the City of Livingston, as the Commission approved the transfer of Livingston's assets to Kentucky American Water in Case No. 2025-00364. "Bell and Hickman Counties" refers to customers served by Water Service Company of Kentucky, Inc., as the Commission approved the transfer of Water Service's assets in those counties to Kentucky American Water in Case No. 2025-00171.

This application may be examined at the offices of Kentucky American Water located at 2300 Richmond Road in Lexington, Kentucky.

This application may also be examined at the offices of the Public Service Commission located at 211 Sower Boulevard in Frankfort, Kentucky, Monday through Friday from 8:00 am – 4:30 pm or on the Commission's website at <http://psc.ky.gov>.

Comments regarding this application may be submitted by mail to the Public Service Commission, Post Office Box 615, Frankfort KY 40602; or through its website at <http://psc.ky.gov>.

The rates contained in this notice are the rates proposed by Kentucky American Water, but the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, which establishes the grounds for the request including the status and interest of the party.

If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the providing of this notice, the Public Service Commission may take final action on the application.

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

Witness: Emily Bytnar

2. Refer to 807 KAR 5:011, Section 11.
 - a. Refer also to the Application in the instant case, page 3, paragraph 9. Explain under what authority Kentucky-American is requesting authorization for Kentucky-American to provide water services to Black Mountain District's water customers in accordance with Kentucky-American's existing water tariff on file with the Commission. In this explanation, reconcile this request with 807 KAR 5:011, Section 11(2).
 - b. Explain whether Kentucky-American believes it will be required to give notice pursuant to 807 KAR 5:011, Section 11(7)(b).
 - c. If Kentucky-American and Black Mountain District's application is approved, explain whether Kentucky-American anticipates filing updated tariff sheets and if so, identify which sheets will be updated. If not, explain why not.

Response:

- a. 807 KAR 5:001, Section 11(2) states, "Unless otherwise authorized by the commission, the person operating the utility business going forward shall adopt, ratify, and make as its own the predecessor's rates, classifications, and requirements on file with the commission and effective at the time of the change of ownership or control." The phrase "unless otherwise authorized by the commission" in the Commission's tariff regulation allows the Commission to authorize something different than KAW's adoption of Black Mountain's rates, classifications, and services. Additionally, this transaction is not one in which KAW is assuming ownership or control of Black Mountain the entity. Instead, this transaction is for the purchase of Black Mountain's assets which KAW will use to serve Black Mountain customers who will become KAW customers at closing. In that scenario, KAW seeks to have what will be former Black Mountain customers take service under KAW's existing tariff as new KAW customers. The Commission's regulation's language of "unless otherwise authorized by the commission" allows for that arrangement.
- b. As explained in response to PSC 2-1 in this case, KAW has provided notice to current Black Mountain customers of what their rates will be when the transaction closes where it states the "current" rates. That notice also provided to those customers what the proposed rates in the rate case are. Based on this, KAW does

not believe any further notice is required. However, if the Commission believes that some additional notice should occur and advises KAW what the content of that notice should be, KAW will take steps to publish that notice in the newspaper of general circulation in Harlan County.

- c. If approved, Black Mountain customers will take service under KAW's existing rates and other applicable tariff provisions. No revisions to those rates or tariff provisions would be necessary if the Commission approves proposed transaction.