

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF THE CITY OF)	
MT. VERNON TO INCREASE ITS WHOLESALE)	CASE NO.
WATER RATES TO WESTERN ROCKCASTLE)	2024-00217
WATER ASSOCIATION, INC. AND KENTUCKY-)	
AMERICAN WATER COMPANY)	

ORDER

On June 6, 2024, the city of Mt. Vernon (Mt. Vernon) filed a tariff to increase its wholesale water rates to Western Rockcastle Water Association, Inc. (Western Rockcastle Water), and Kentucky-American Water Company (Kentucky-American). Mt. Vernon proposed an effective date of July 16, 2024.

Mt. Vernon proposed to increase its wholesale water rates by \$0.47 per 1,000 gallons, or 16.04 percent, from \$2.93 per 1,000 gallons to \$3.40 per 1,000 gallons. Mt. Vernon responded to one request for information from Commission Staff (Staff) as part of the tariff review process. The response is attached as Appendix B to this Order and is made a part of the evidentiary record of this case.

Mt. Vernon indicated that it was increasing its retail and wholesale rates to finance the addition of a new Powdered Activated Carbon (PAC) Reactor Basin and feed equipment to the Water Treatment Plant. Staff requested that Mt. Vernon update its wholesale model for actual 2023 costs. Mt. Vernon provided some information but did not provide the cost model updated for actual 2023 costs.

LEGAL STANDARD

The Commission has exclusive jurisdiction over the rates and service of utilities and is charged with enforcing the provisions of KRS Chapter 278.¹ A city-owned utility is generally exempt from the Commission's exclusive jurisdiction over utility rates and services.² However, pursuant to KRS 278.200, the Commission may, under the provisions of KRS Chapter 278:

[O]riginate, establish, change, promulgate and enforce any rate or service standard of any utility that has been or may be fixed by any contract, franchise or agreement between the utility and any city, and all rights, privileges and obligations arising out of any such contract, franchise or agreement, regulating any such rate or service standard, shall be subject to the jurisdiction and supervision of the commission.³

The Kentucky Supreme Court held that a city providing utility service loses its exemption and "is rendered subject to the PSC rates and service regulation" pursuant to KRS 278.200 when it enters into a contract to provide wholesale utility service to a public utility subject to the Commission's jurisdiction.⁴

KRS 278.030 provides that a utility may collect fair, just and reasonable rates and that the service it provides must be adequate, efficient and reasonable. "Whenever any utility files with the commission any schedule stating new rates, the commission may,

¹ See KRS 278.040.

² See KRS 278.030(3) (excluding city utilities from the definition of utilities subject to Commission jurisdiction).

³ KRS 278.200.

⁴ *Simpson County Water District v. City of Franklin*, 872 S.W.2d 460, 463 (Ky. 1994); see also *City of Russellville v. Public Service Com'n of Kentucky*, No. 2003-CA-002132-MR, 2005 WL 385077 (Ky. App. Feb. 18, 2005) (unpublished) (in which the court found that a city's failure to provide water districts notice and file a proposed wholesale rate increase for water districts pursuant to the provisions of KRS Chapter 278 and 807 KAR 5:011 prevented the city from charging the rate).

upon its own motion . . . , and upon reasonable notice, hold a hearing concerning the reasonableness of the new rates.”⁵ Pending the final decision on a proposed schedule or rate, “the commission may, at any time before the schedule becomes effective, suspend the operation of the schedule and defer the use of the rate, charge, classification, or service, for a period up to five months beyond the time when it would otherwise go into effect if a historical test period is used, and up to six months if a forward-looking test period is used.”⁶

DISCUSSION

Having reviewed the proposed tariff, the information provided in response to the initial request for information, and being otherwise sufficiently advised, the Commission finds that an investigation is necessary to determine the reasonableness of the proposed rate, and that such investigation cannot be completed by July 16, 2024. Pursuant to KRS 278.190(2), the Commission will therefore suspend the effective date of the proposed rate for five months, up to and including December 15, 2024.

The Commission directs Mt. Vernon to the Commission’s July 22, 2021 Order in Case No. 2020-00085⁷ in which the Commission mandated the use of electronic filing procedures listed in 807 KAR 5:001, Section 8. Consistent with the filing procedures set forth in Case No. 2020-00085, the Commission finds that electronic filing procedures should be used.

⁵ KRS 278.190(1).

⁶ KRS 278.190(2).

⁷ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

The Commission further finds that a procedural schedule should be established to review the reasonableness of the proposed tariff. The procedural schedule is attached as Appendix A to this Order.

Additionally, any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001, Section 2, if the hearing is not concluded on the designated day, the hearing may be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing. Hearings are held in the Richard Raff Hearing Room at the offices of the Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky. Witnesses who sponsor schedules, testimony, or responses to requests for information are expected to participate in person at a hearing.

IT IS THEREFORE ORDERED that:

1. This proceeding is established to investigate the reasonableness of the proposed tariff.
2. Mt. Vernon's proposed tariff is suspended for five months from July 16, 2024, up to and including December 15, 2024.
3. Mt. Vernon shall, by counsel, enter an appearance in this proceeding within seven days of the date of service of this Order. The entry of appearance shall include the name, address, telephone number, fax number, and electronic mail address of counsel.
4. Unless otherwise ordered by the Commission, the procedures set forth in 807 KAR 5:001, Section 8, related to service and electronic filing of papers shall be followed in this proceeding.

5. Pursuant to 807 KAR 5:001, Section 8(10), unless a timely objection is filed, within seven days of the date of service of this Order, Mt. Vernon shall file by electronic means a written statement that it waives any right to service of Commission Orders by United States mail and that it or its authorized agent possess the facilities to receive electronic submissions.

6. Unless a party granted leave to intervene states its objection to the use of electronic filing procedures in a motion for intervention, the party shall:

a. Be deemed to have consented to the use of electronic filing procedures and the service of all papers, including Orders of the Commission, by electronic means; and

b. Within seven days of the date of service of an order of the Commission granting intervention, file with the Commission a written statement that:

(1) It or its authorized agent possesses the facilities to receive electronic transmissions; and

(2) Sets forth the electronic mail address to which all electronic notices and messages related to this proceeding shall be served.

7. If a party objects to the use of electronic filing procedures and the Commission determines that good cause exists to excuse that party from the use of electronic filing procedures, service of documents on that party and by that party shall be made in accordance with 807 KAR 5:001, Section 4(8).

8. The procedural schedule set forth in Appendix A to this Order shall be followed.

9. Mt. Vernon shall respond to all requests for information propounded by Commission Staff, whether identified on the procedural schedule or otherwise, as provided in those requests.

10. As set forth in 807 KAR 5:001, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding, which is not adequately represented in the case, or (2) that the person requesting permissive intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. Therefore, any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not otherwise adequately represented, or the issues and facts the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of utility service consumed by the movant or a general statement regarding the potential impact of possible modification of rates will not be deemed sufficient to establish a special interest.

11. Any motion to intervene after the date established in the procedural schedule shall also show good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

12. Mt. Vernon shall give notice of the hearing in accordance with the provisions set forth in 807 KAR 5:001, Section 9(2). In addition, the notice of the hearing shall include the following statements: "This hearing will be streamed live and may be viewed on the PSC website, psc.ky.gov" and "Public comments may be made at the beginning of the hearing. Those wishing to make oral public comments may do so by following the

instructions listed on the PSC website, psc.ky.gov.” At the time publication is requested, Mt. Vernon shall forward a duplicate of the notice to the Commission.

13. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

14. Any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001, Section 2, if the hearing is not concluded on the designated day, the hearing shall be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing.

15. Witnesses who sponsor schedules, testimony, or responses to requests for information shall participate in person at any hearing scheduled in this matter.

16. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), a digital video recording shall be made of the hearing.

17. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of times with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

18. The Commission does not look favorably upon motions to excuse witnesses from testifying at Commission hearings. Accordingly, motions to excuse a witness from testifying at a Commission hearing or from testifying in person at a Commission hearing shall be made in writing and will be granted only upon a showing of good cause.

19. The Executive Director shall serve a copy of this Order upon Western Rockcastle Water and Kentucky-American.

PUBLIC SERVICE COMMISSION

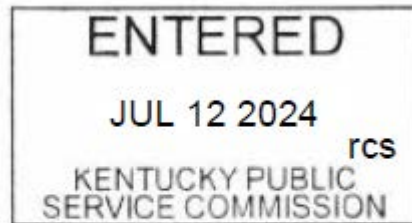
Chairman



Vice Chairman



Commissioner



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2024-00217 DATED JUL 12 2024

- Requests for intervention shall be filed no later than 07/23/2024
- Initial requests for information to Mt. Vernon shall be filed no later than 07/30/2024
- Mt. Vernon shall file responses to initial requests for information no later than..... 08/13/2024
- All supplemental requests for information to Mt. Vernon shall be filed no later than 08/27/2024
- Mt. Vernon shall file responses to supplemental requests for information no later than 09/10/2024
- Intervenor testimony, if any, in verified prepared form shall be filed no later than.... 09/24/2024
- All requests for information to Intervenors shall be filed no later than 10/08/2024
- Intervenors shall file responses to requests for information no later than..... 10/22/2024
- Mt. Vernon shall file, in verified form, its rebuttal testimony no later than 10/29/2024
- Mt. Vernon or any Intervenor shall request either a hearing or that the case be submitted for decision based on the record no later than 11/12/2024

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2024-00217 DATED JUL 12 2024

TEN PAGES TO FOLLOW

The City of Mount Vernon



Mayor Tim Roberts
Crystal Rush, City Clerk/Treasurer

June 19, 2024

Mr. Daniel Hinton
Kentucky Public Service Commission
PO Box 615
Frankfort, KY 40602-0615

RE: City of Mt. Vernon
Wholesale Rate Adjustment

Dear Mr. Hinton,

As requested in your email dated June 17, 2024, the City of Mt. Vernon submits the following response to your questions.

1. Provide separate income statements for water and sewer that, in total, tie to the audited water and sewer income statement and debt service components of the statement of cash flows for the year ended June 30, 2023.

See attached Exhibit A prepared by the City's auditor.

2. Update the wholesale model for the costs in item #1.

See attached Exhibit B prepared by the Project Engineer.

3. Confirm that the only change to the rate relates to the planned Powdered Activated Carbon (PAC) Reactor Basin and feed equipment to the water treatment plant project referred to in the letter dated June 3, 2024.

The wholesale rate is being adjusted to account for the Water Treatment Plant Project and the Short-Lived Assets identified in Exhibit B. The wholesale customers were allocated their proportionate share of the costs based on their proportionate use of the of the WTP or Short-Lived Asset.

4. Confirm that the project is represented in the KIA WRIS portal as project profile WX21203005.

Correct, the Project herein is identified in the WRIS Portal as profile WX21203005.

5. Provide the following:

a. Provide the anticipated bid date and bid opening date for the project.

Bids were opened on the Project on September 11, 2023

b. Confirm that the estimated construction start date is May 31, 2025 and the estimated completion date is Oct 31, 2025.

Construction is scheduled to start during July 2024 and should be completed by June 2025.

c. Provide the expected date of the first principal and interest payment to RD

The first payment to RD is expected during October 2025.

If you should have any other questions, please feel free to contact me at your earliest convenience.

Sincerely,

Jim Bowman
City Administrator

EXHIBIT A

CITY OF MT. VERNON, KENTUCKY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Unit
Governmental activities:								
General government	\$ 1,351,001	\$ 118,025	\$ 151,421	\$ -	\$ (1,081,555)	\$ -	\$ (1,081,555)	\$ -
Public safety	1,098,394	10,790	67,097	-	(1,020,507)	-	(1,020,507)	-
Public works	177,127	-	55,831	-	(121,296)	-	(121,296)	-
Economic development	-	-	-	-	-	-	-	-
Interest on long-term debt	66,916	-	-	-	(66,916)	-	(66,916)	-
Total governmental activities	2,693,438	128,815	274,349	-	(2,290,274)	-	(2,290,274)	-
Business-type activities:								
Water	1,938,948	1,920,716	-	-	-	(18,232)	(18,232)	-
Sewer	762,696	511,264	-	-	-	(251,432)	(251,432)	-
Total business-type activities	2,701,644	2,431,980	-	-	-	(269,664)	(269,664)	-
Total activities	\$ 5,395,082	\$ 2,560,795	\$ 274,349	\$ -	(2,290,274)	(269,664)	(2,559,938)	-
Component Unit	\$ 655,824	\$ 102,665	\$ 135,886	\$ -	-	-	-	(417,273)
General revenues:								
Taxes:								
Property taxes					163,360	-	163,360	-
Franchise and occupational taxes					1,243,627	-	1,243,627	-
Other taxes					591,465	-	591,465	333,583
Investment earnings					4,042	15,894	19,936	69
Miscellaneous					325,219	-	325,219	31,853
Transfers					(241,877)	241,877	-	-
Total general revenues, special items and transfers					2,085,836	257,771	2,343,607	365,505
Change in net position					(204,438)	(11,893)	(216,331)	(51,768)
Net position - beginning					975,467	6,082,217	7,057,684	2,034,650
Net position - ending					\$ 771,029	\$ 6,070,324	\$ 6,841,353	\$ 1,982,882

The accompanying notes are an integral part of these financial statements.

EXHIBIT A

CITY OF MT VERNON, KENTUCKY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Water</u>	<u>Sewer</u>
Operating Revenues		
Charges for services - water	\$ 1,920,716	\$ -
Charges for services - sewer	-	511,264
Total Operating Revenues	<u>1,920,716</u>	<u>511,264</u>
Operating Expenses		
Employee compensation and benefits	642,000	194,124
Contractual services	26,653	12,374
Utilities	233,499	69,409
Repairs and maintenance	480,386	115,324
Other supplies and expenses	112,157	53,272
Insurance	63,419	34,948
Depreciation	283,246	283,245
Total Operating Expenses	<u>1,841,360</u>	<u>762,696</u>
Operating Income (Loss)	79,356	(251,432)
Non-operating Revenue (Expense)		
Interest on investments	15,894	-
Interest expense	(97,588)	-
Total Non-Operating Revenue (Expense)	<u>(81,694)</u>	<u>-</u>
Income (Loss) Before Other Revenues and Transfers	(2,338)	(251,432)

EXHIBIT B

City of Mt. Vernon Water Treatment Plant - Taste & Odor Control System

Revised Project Budget

March 7, 2024

	July 2018 Budget	Revised Budget
PROJECT COSTS		
Total Construction Cost	\$812,000	\$3,249,375
Contingency	80,000	162,069
Engineering Fee:		
Design	60,000	151,700
Construction Management	15,000	37,956
Construction Observation	67,000	151,500
Planning (PER, etc.)	20,000	20,000
Geotechnical	10,000	0
Administration (CVADD)	25,000	5,000
Legal, Local Counsel	1,000	8,000
Legal, Bond Counsel	0	22,400
Interim Financing	0	57,000
Corp of Engineers Review Fee	75,000	75,000
TOTAL PROJECT COST	\$1,165,000	\$3,940,000
PROJECT FUNDING		
Appalachian Regional Commission (ARC)	\$165,000	\$265,000
Kentucky Flood Control Matching Grant	250,000	250,000
USACE Pride 531	750,000	750,000
Rural Development, Loan	0	864,000
Rural Development, Grant	0	1,811,000
TOTAL PROJECT FUNDING	\$1,165,000	\$3,940,000

EXHIBIT B

City of Mt. Vernon Short-Lived Assets - Water System

Asset Description	Replace/Repair Cost			Annual Cost
	0-5 years	5-10 year	10-15 year	
Computer Workstations x 3	\$6,000			\$1,200
Small Pumps x 6	\$15,000			\$3,000
Chemical Feed Pumps x 4	\$6,000			\$1,200
Laboratory Desktop Analyzer		\$8,500		\$850
Mini-Excavator			\$85,000	\$5,667
Steel Tank Painting x 4			\$800,000	\$53,333
Tanks Interior Cleaning x 6		\$60,000		\$6,000
Filter Rehabilitation x 4			\$300,000	\$20,000
Filter Valve Replacement x 6		\$72,000		\$7,200
Filter Monitoring Equipment x 10		\$30,000		\$3,000
Chlorine Analyzers x 4		\$14,000		\$1,400
SCADA Upgrades		\$85,000		\$8,500
Service Trucks x 2	\$140,000			\$28,000
Meters x 2100		\$630,000		\$63,000
Mapping/GIS Equipment	\$35,000			\$7,000
WTP Painting		\$225,000		\$22,500
Carbon Slurry Pumps x 2	\$22,000			\$4,400
TOTAL ANNUALIZED COST				\$236,250

Asset Description	Annual Cost	Allocation Factor		Cost Allocation	
		Retail	Wholesale	Retail	Wholesale
Computer Workstations x 3	\$1,200	0.743	0.257	\$892	\$308
Small Pumps x 6	\$3,000	1.000	0.000	\$3,000	\$0
Chemical Feed Pumps x 4	\$1,200	0.228	0.772	\$274	\$926
Laboratory Desktop Analyzer	\$850	0.228	0.772	\$194	\$656
Mini-Excavator	\$5,667	1.000	0.000	\$5,667	\$0
Steel Tank Painting x 4	\$53,333	0.750	0.250	\$40,000	\$13,333
Tanks Interior Cleaning x 6	\$6,000	0.750	0.250	\$4,500	\$1,500
Filter Rehabilitation x 4	\$20,000	0.228	0.772	\$4,560	\$15,440
Filter Valve Replacement x 6	\$7,200	0.228	0.772	\$1,642	\$5,558
Filter Monitoring Equipment x 10	\$3,000	0.228	0.772	\$684	\$2,316
Chlorine Analyzers x 4	\$1,400	0.228	0.772	\$319	\$1,081
SCADA Upgrades	\$8,500	0.228	0.772	\$1,938	\$6,562
Service Trucks x 2	\$28,000	0.614	0.386	\$17,192	\$10,808
Meters x 2100	\$63,000	1.000	0.000	\$63,000	\$0
Mapping/GIS Equipment	\$7,000	1.000	0.000	\$7,000	\$0
WTP Painting	\$22,500	0.228	0.772	\$5,130	\$17,370
Carbon Slurry Pumps x 2	\$4,400	0.228	0.772	\$1,003	\$3,397
TOTAL ANNUALIZED COST	\$236,250	---	---	\$156,994	\$79,256
Weighted Allocation Factor				0.665	0.335

EXHIBIT B

City of Mt. Vernon Revenue Requirements For Proposed Project

PROPOSED PROJECT FUNDING

Appalachian Regional Commission (ARC)	\$165,000
Kentucky Flood Control Matching Grant	250,000
USACE Pride 531	750,000
Rural Development Loan	864,000
Rural Development Grant	1,811,000
TOTAL PROJECT FUNDING	\$3,840,000

REVENUE REQUIREMENT FOR PROPOSED PROJECT

Debt Service

RD Loan Amount	\$864,000
Term of Loan, Years	38
Interest Rate	2.375%
Capital Recovery Factor	0.0402

RD Annual Principal & Interest	\$34,771
Rural Development Coverage at 10%	\$3,477
New Facility O&M Expense	\$40,150
New Facility Depreciation	\$44,645
Short Lived Assets	\$236,250

TOTAL REVENUE REQUIRED	
FOR PROPOSED PROJECT	\$359,293

EXHIBIT B

City of Mt. Vernon Allocation of Revenue Requirements

ALLOCATION OF REVENUE REQUIREMENT TO WHOLESALE USERS

Total Water Sold to Wholesale Customers	369,422,900 gal.
Total Water Sold to Retail & Wholesale Customers	478,675,600
Percentage of Total Water Use	77.2%

	Allocation	Rev. Req't
RD Annual Principal & Interest	77.2%	\$26,835
Rural Development Coverage at 10%	77.2%	\$2,684
New Facility O&M Expense	77.2%	\$30,986
Depreciation	77.2%	\$34,455
Short Lived Assets	33.5%	\$79,256
Wholesale Revenue Requirement		\$174,216

Wholesale Rate Increase, (\$/1,000 gal.)	\$0.47
Existing Wholesale Rate, (\$/1,000 gal.)	\$2.93
Proposed Wholesale Rate	\$3.40

ALLOCATION OF REVENUE REQUIREMENT TO RETAIL USERS

Total Water Sold to Retail Customers	109,252,700 gal.
Total Water Sold to Retail & Wholesale Customers	478,675,600
Percentage of Total Water	22.8%

	Allocation	Rev. Req't
RD Annual Principal & Interest	22.8%	\$7,936
Rural Development Coverage at 10%	22.8%	\$794
New Facility O&M Expense	22.8%	\$9,164
Short Lived Assets	66.5%	\$156,994
Retail Revenue Requirement		\$174,887

Retail Revenue Requirement	\$174,887
Existing Sales to Retail Customers	\$758,545
Required Sales to Retail Customers	\$933,433

Percent Rate Increase	23.06%
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Rogness, Benjamin (PSC)

From: Jim Bowman <jbowman@mtvernonky.org>
Sent: Wednesday, June 19, 2024 3:46 PM
To: Hinton, Daniel E (PSC)
Cc: mayor mtvernonky.org; crush mtvernonky.org; VWILLIAMS@kenviro.com; jmedley mtvernonky.org; Abshire, Jeff A (PSC); Rogness, Benjamin (PSC); Nicole Roberts
Subject: RE: Mt. Vernon Tariff Filing to Increase Wholesale Rate to Western Rockcastle WA and Kentucky-American Water
Attachments: PSC Response 6-19-24.doc; Exhibits.pdf

****CAUTION** PDF attachments may contain links to malicious sites. Please contact the COT Service Desk ServiceCorrespondence@ky.gov for any assistance.**

This Message Originated from Outside the Organization

This Message Is From an External Sender.

Report Suspicious

Mr. Hinton,

Please see attached and let me know if you need anything additional.

Kind Regards,
Jim



Jim Bowman

City Administrator

City of MT Vernon, KY | P.O.Box 1465 | Mount Vernon, KY 40456
✉ jbowman@mtvernonky.org ☎ 606.256.3437

From: Hinton, Daniel E (PSC) <dehinton@ky.gov>
Sent: Monday, June 17, 2024 7:28 AM
To: Jim Bowman <jbowman@mtvernonky.org>
Cc: mayor mtvernonky.org <mayor@mtvernonky.org>; crush mtvernonky.org <crush@mtvernonky.org>; VWILLIAMS@kenviro.com; jmedley mtvernonky.org <jmedley@mtvernonky.org>; Abshire, Jeff A (PSC) <jeff.abshire@ky.gov>; Rogness, Benjamin (PSC) <benjamin.rogness@ky.gov>
Subject: Mt. Vernon Tariff Filing to Increase Wholesale Rate to Western Rockcastle WA and Kentucky-American Water

Mr. Bowman,

Staff has the following requests regarding the Mt. Vernon tariff filing to increase the wholesale water rate to Western Rockcastle Water Association and Kentucky-American Water Company.

1. Provide separate income statements for water and sewer that, in total, tie to the audited water and sewer income statement and debt service components of the statement of cash flows for the year ended June 30, 2023.
2. Update the wholesale model for the costs in item #1.
3. Confirm that the only change to the rate relates to the planned Powdered Activated Carbon (PAC) Reactor Basin and feed equipment to the water treatment plant project referred to in the letter dated June 3, 2024.
4. Confirm that the project is represented in the KIA WRIS portal as project profile WX21203005.
5. Provide the following:
 - a. Provide the anticipated bid date and bid opening date for the project.
 - b. Confirm that the estimated construction start date is May 31, 2025 and the estimated completion date is Oct 31, 2025.
 - c. Provide the expected date of the first principal and interest payment to RD

Responses can be emailed to us at the email addresses above.

If you have any questions, please let us know.

Thanks.

Daniel

*Jim Bowman
City of Mt. Vernon
125 Richmond Street
P. O. Box 1465
Mt. Vernon, KY 40456

*City of Mt. Vernon
125 Richmond Street
P. O. Box 1465
Mt. Vernon, KY 40456