

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY-)	CASE NO.
AMERICAN WATER COMPANY FOR AN)	2025-00122
ADJUSTMENT OF RATES)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO THE ATTORNEY GENERAL OF THE COMMONWEALTH OF KENTUCKY AND
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

The Attorney General of the Commonwealth of Kentucky, by and through the Office of Rate Intervention (Attorney General), and Lexington-Fayette Urban County Government (LFUCG) (jointly, Attorney General/LFUCG)¹ pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on September 8, 2025. The Commission directs the Attorney General/LFUCG to the Commission's July 22, 2021 Order in Case No. 2020-00085² regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for

¹ The Attorney General and LFUCG filed a memorandum of understanding regarding witness sharing on August 6, 2025, and jointly sponsored the Direct Testimony of Richard A. Baudino and John Defever.

² 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).

representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

The Attorney General/LFUCG shall make timely amendment to any prior response if the Attorney General/LFUCG obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which the Attorney General/LFUCG fails or refuses to furnish all or part of the requested information, the Attorney General/LFUCG shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, the Attorney General/LFUCG shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Direct Testimony of Richard A. Baudino (Baudino Direct Testimony), page 12, lines 18-20 and page 13, lines 1-4. Provide the workpapers or

support for the referenced analysis, in Excel spreadsheet format with all formulas, columns, and rows intact and fully accessible, if available.

2. Refer to the Baudino Direct Testimony, page 15, lines 17-18. Provide support for the use of a combined utility proxy group. Include in the response a discussion regarding the comparability of natural gas distribution companies to water utilities.

3. Refer to the Baudino Direct Testimony, page 17, lines 11-13. Refer also to the Baudino Direct Testimony, page 30, lines 13-19. Explain how the use of a six-month period in estimating the dividend yield, but a three-month period in determining the risk-free rate, is not inconsistent.

4. Refer to the Direct Testimony of John Defever (Defever Direct Testimony), page 8, lines 6-8. Provide the justification for applying a 3.6 percent vacancy rate to Kentucky-American's payroll expenses.

5. Refer to the Defever Direct Testimony, page 12, lines 5-6. Explain why there is only an adjustment to the forecasted test period when Kentucky-American is also forecasting incentive compensation related to financial goals in the base period.

6. Refer to the Defever Direct Testimony, page 17, lines 15-16. Explain why there is no adjustment to the base period for expenses related to unaccounted for water when Kentucky-American's forecasted water loss for the base period is also forecasted to be higher than 15 percent.

7. Refer to the Defever Direct Testimony, page 20, line 5. Provide the justification for amortizing Kentucky-American's remaining regulatory expense associated with Case No. 2023-00191 for an additional three years, when standard Commission

precedent allows for a total amortization period of three years for the entire related regulatory expense.



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DATED **AUG 21 2025**

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