

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY-	)	
AMERICAN WATER COMPANY FOR AN	)	CASE NO.
ADJUSTMENT OF RATES, APPROVAL OF	)	2026-00094
SYSTEM IMPROVEMENT PROGRAM, AND	)	
TARIFF CHANGES	)	

COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION
TO KENTUCKY-AMERICAN WATER COMPANY

Kentucky-American Water Company (Kentucky-American), 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 10, 2026. The Commission directs Kentucky-American to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ 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 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

¹ 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).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Kentucky-American shall make timely amendment to any prior response if Kentucky-American 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 Kentucky-American fails or refuses to furnish all or part of the requested information, Kentucky-American 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, Kentucky-American 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 Robert Prendergast, page 7, lines 10–15. Explain why Kentucky-American used a three-year average rather than a five-year average or another period.

2. Refer to the Kentucky-American's Response to the Attorney General's First Request for Information (Attorney General's First Request), Item 142, where Kentucky-American states that it included \$1,734,301 in Overtime Pay in the forecasted test period.

Explain what the difference in Overtime Pay in the forecasted test period would be if Kentucky-American forecasted the expense utilizing the staffing levels as they currently exist. Provide the response in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

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

4. Refer to the Kentucky-American's response to the Attorney General's First Request, Item 170.

a. Explain in detail the variance in Kentucky-American's level of Temporary Help Expense for the years 2023-2025, the base period, and the forecasted test year.

b. Explain how the amount of Temporary Help Expense would change in the forecasted test year if Kentucky-American did not assume a full staffing level.

5. Refer to the Application, Direct Testimony of John Defever (Defever Direct Testimony), page 21, where Mr. Defever recommends a reduction for unaccounted-for water exceeding the 15 percent threshold. Confirm that Kentucky-American can provide the unaccounted-for water loss percentage in the forecasted test year for each of the

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

systems it acquired over the past 24 months as of the date of this request. If confirmed, provide the unaccounted-for water loss percentage for each of those systems by month. If not, explain why the calculation cannot be made.

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

7. Refer to the Application, Magner Direct Testimony, pages 4–6. Refer also to Application, Magner Direct Testimony, Exhibit JM-1 and JM-3

a. State how often the Pipe Replacement Planner and its underlying likelihood-of-failure (LOF) model are updated with actual failure data.

b. Explain how sensitive the LOF model is to assumptions and identify the five assumptions that have the greatest effect on LOF results.

c. Provide the current LOF for each major asset (mains, pumps, substations) in Exhibit JM-1.

d. Describe how Kentucky-American makes the decision between replacement, deferral, and upgrade.

e. Explain whether the Capital Program Management (CPM) model is deterministic or probabilistic.

f. Provide the age, size, length and the material of all mains scheduled for replacement as part of the System Improvement Program (SIP).

8. Explain how Kentucky-American prioritizes the mains scheduled for replacement as part of the SIP and provide the cost per unit and per linear foot for each type of main.

a. Explain whether Kentucky-American will file a certificate of public convenience and necessity (CPCN) for future projects that will be included in the SIP.

b. Explain whether there are any environmental reviews or local approvals required for projects included in the SIP.

c. Explain whether there are any conflicts with local development plans and how Kentucky-American intends to resolve those conflicts.

d. Explain how many meters will be replaced annually and provide the cost breakdown for 2027-2029 in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

e. Provide a breakdown of the IT projects' costs for the years 2027-2029 in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

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

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

11. Refer to the Application, Direct Testimony of Jeffrey Newcomb (Newcomb Direct Testimony), pages 14-19. Refer also to Kentucky-American's response to

Commission Staff's Second Request for Information (Staff's Second Request), Items 41, 43, and 44; the proposed SIP tariff; and Magner Direct Testimony, Exhibit JM-1.

a. Identify each category of distribution and water-treatment infrastructure, other than water mains, for which Kentucky-American seeks SIP eligibility. For each category, cite the applicable proposed tariff provision, identify the projects forecasted for 2027 through 2029, and provide the projected annual costs.

b. Describe Kentucky-American's current procedures for coordinating proposed SIP projects with municipalities and other utilities, including advance notice, joint planning, cost sharing, and street-restoration work. Provide all written policies and coordination plans applicable to Lexington-Fayette Urban County Government, the City of Georgetown, and any other municipalities.

c. State whether Kentucky-American proposes a minimum annual number of linear feet, or a minimum annual percentage, of water mains to be replaced as a condition of the SIP. If so, quantify the minimum requirement for each year from 2027 through 2029. If not, explain why no minimum is proposed.

12. Refer to Kentucky-American's response to Staff's Second Request, Item 44, and the filing schedule in the Application, Newcomb Direct Testimony, pages 14–16.

a. Assuming no significant changes or intervening circumstances, state the number of SIP Annual Filings and balancing-adjustment filings Kentucky-American currently anticipates making before its next general rate case.

b. State whether Kentucky-American intends to make each annual filing shown in that schedule while the SIP remains in effect.

13. Refer to Kentucky-American's response to Staff's Second Request, Item 44, where Kentucky-American states that a material acquisition may affect the timing of its next general rate case.

a. Define "material acquisition" for this purpose and identify any quantitative or qualitative criteria or thresholds Kentucky-American will use to determine whether an acquisition is material. If Kentucky-American has not established such criteria or thresholds, explain how it will make that determination

b. Explain the criteria Kentucky-American will use to determine whether acquisition-related investments will be addressed through a general rate case, a change-of-control or CPCN proceeding followed by a SIP plan update, or a SIP Annual Filing. For each option, identify the circumstances under which Kentucky-American anticipates using that option.

14. Refer to the Application, Direct Testimony of Chase Azevedo (Azevedo Direct Testimony), pages 5–6 and 11–12. Refer also to Kentucky-American's response to Georgetown Water and Sewer's First Request for Information, Item 14(b).

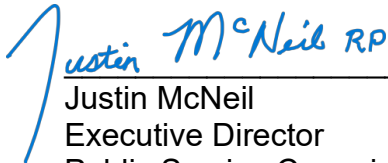
a. Explain the factual and tariff basis for classifying and billing Georgetown Municipal Water and Sewer Service's wastewater treatment plant at 900 Cherry Blossom Way as a Sales for Resale customer where water supplied at that location is used on-site and is not resold.

b. State the status and effective date of any correction to the account classification; quantify any resulting refund, credit, or interest; and explain how the correction will be reflected in the base-period and forecasted-test-period revenues and the class cost-of-service study.

Describe all discussions and written communications between Kentucky-American and Georgetown Water and Sewer concerning Kentucky-American as a long-term water-supply option for demand exceeding the 4.0 MGD capacity of the Royal Spring Water Treatment Plant. In the response, include the capacity and volume discussed; required infrastructure; proposed rate or contract terms; and Kentucky-American's response to Georgetown Water and Sewer's request-for-information or request-for-proposals process. Also, provide all nonprivileged supporting documents not already filed in this proceeding.

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

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


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DATED AUG 26 2026

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