

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BRONSTON)	CASE NO.
WATER ASSOCIATION, INC. FOR A RATE)	2022-00117
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

ORDER

On April 13, 2022, Bronston Water Association (Bronston Water) filed an application with the Commission, requesting an adjustment to its water service rates pursuant to 807 KAR 5:076. The application was filed pursuant to the Commission’s Order in Case No. 2020-00416.¹ In that proceeding, Bronston Water was ordered to file an application by April 30, 2022, for either a traditional adjustment in rates or for an alternative rate adjustment to ensure its revenue is sufficient to support adequate and reliable service. In its application, Bronston Water requested rates that would increase annual water sales revenues by \$126,193, a 15.64 percent increase to pro forma present rate water sales revenues.

To ensure an orderly review of the application, the Commission established a procedural schedule by Order dated May 2, 2022, which, among other things, required the Commission Staff to file a report containing its findings regarding Bronston Water’s application. On June 15, 2022, Bronston Water responded to Commission Staff’s First Request for Information (Staff’s First Request). However, Bronston Water did not provide

¹ Case No. 2020-00416, *Electronic Application of Bronston Water Association, Inc. for a Certificate of Public Convenience and Necessity to Construct a System Improvements Project and an Order Approving a Change in Rates and Authorizing the Issuance of Securities Pursuant to KRS 278.023* (Ky. PSC Apr. 30, 2021), at 5, ordering paragraph 1.

responses for several requests. On June 17, 2022, Bronston Water submitted the remaining responses to Staff's First Request and filed a supplemental response to Staff's First Request. The Commission reminds Bronston Water to follow the established procedural schedule in all future rate cases to ensure timely compliance with Commission Orders.

On July 6, 2022, Bronston Water responded to Commission Staff's Second Request for Information (Staff's Second Request). On July 15, 2022, the Commission issued an Order amending the procedural schedule to provide Commission Staff time for more discovery into the 2020 test year Bronston Water used for its application and reconcile the data with the 2021 calendar year. On July 25, 2022, Bronston Water responded to Commission Staff's Third Request for Information (Staff's Third Request).

Pursuant to Commission's July 15, 2022 Order, Commission Staff issued its report (Commission Staff's Report) on August 24, 2022, summarizing its findings and recommendations regarding Bronston Water's requested rate adjustment. In the Commission Staff's Report, Commission Staff found that Bronston Water's adjusted test-year operations support an overall revenue requirement of \$931,487, and that an annual revenue increase of \$83,978, or 10.15 percent, is necessary to generate the overall revenue requirement.

On August 30, 2022, Bronston Water filed its response to the Commission Staff's Report. Bronston Water stated that it did not agree with the Commission Staff's removal of certain labor expenses from nonrecurring charges; however, Bronston Water stated that it would not contest the adjustment in this case.² Bronston Water concurred with the

² Bronston Water's Response to Commission Staff's Report (filed Aug. 30, 2022), Item 1.

remaining findings in Commission Staff's Report.³ With its comments, Bronston Water waived its right to request an informal conference or hearing in this case.⁴ The case now stands submitted for a decision by the Commission.

LEGAL STANDARD

Alternative rate adjustment proceedings, such as this one, are governed by 807 KAR 5:076, which establishes a simplified process for small utilities to use to request rate adjustments, with the process designed to be less costly to the utility and to the utility ratepayers. The Commission's standard of review of a utility's request for a rate increase is well established. In accordance with KRS 278.030 and case law, Bronston Water is allowed to charge its customers "only 'fair, just and reasonable rates.'"⁵ Further, Bronston Water bears the burden of proof to show that the proposed rate increase is just and reasonable under KRS 278.190(3).

WATER LOSS

Pursuant to 807 KAR 5:066, Section (6)3, water loss is limited to 15 percent for ratemaking purposes. Commission Staff's Report noted that Bronston Water's test-year water loss was 15.03 percent. At a 15.03 percent water loss, the annual cost of water loss in excess of 15 percent is \$64 and the total annual cost of water loss to Bronston Water is \$38,263, as calculated in the table below. Accordingly, Staff reduced test-year expenses by \$64 to account for the 0.03 percent excess water loss.⁶

³ Bronston Water's Response to Commission Staff's Report, Item 2.

⁴ Bronston Water's Response to Commission Staff's Report, Item 3.

⁵ *City of Covington v. Public Service Commission*, 313 S.W.2d 391 (Ky. 1958); and *Pub. Serv. Comm'n v. Com. of Kentucky v. Dewitt Water District*, 720 S.W.2d 725 (Ky. 1986).

⁶ Commission Staff's Report at 2—3.

	<u>Purchased Water</u>	<u>Purchased Power</u>	<u>Total</u>
Test-Year Water Purchases and Pumping Costs	\$249,480	\$5,176	\$245,656
Multiplied by: Water Loss Above of 15 Percent	<u>.03%</u>	<u>.03%</u>	<u>.03%</u>
Cost of Line loss Above the 15% Limit	<u>\$63</u>	<u>\$1</u>	<u>\$64</u>
Test-Year Water Purchases and Pumping Costs	\$249,480	\$5,176	\$245,656
Multiplied by: Test Year Water Loss Percentage	<u>15.03%</u>	<u>15.03%</u>	<u>15.03%</u>
Total Cost of Line Loss	<u>\$37,485</u>	<u>\$778</u>	<u>\$38,263</u>

The Commission is placing greater emphasis on monitoring utilities that consistently exceed the 15 percent unaccounted-for water loss threshold and strongly encourages Bronston Water to pursue reasonable actions to reduce its water loss.

BACKGROUND

Bronston Water is a water association organized pursuant to KRS Chapter 273. It owns and operates a water distribution system through which it provides water service to approximately 1,823 residential customers and 71 commercial customers in Pulaski and Wayne counties, Kentucky.⁷ Bronston Water does not produce any of its own water; rather, it purchases its water from Monticello Utility Commission. This is Bronston Water's first general rate adjustment since July 7, 2003.⁸

⁷ *Annual Report of Bronston Water to the Public Service Commission for the Calendar Year Ended December 31, 2021* (2021 Annual Report) at 12 and 49.

⁸ Case 2003-00159, *Application of Bronston Water Association, Inc. for an Adjustment of Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities* (Ky. PSC July 7, 2003).

TEST PERIOD

Bronston Water originally used the calendar year ended December 31, 2020, as the test year to determine the reasonableness of existing and proposed water rates, as required by 807 KAR 5:076, Section 9. However, since Bronston Water's 2021 Annual Report had already been filed by the date the application was submitted, the application should have been marked deficient. According to 807 KAR5:076, Section 1(2)(a) and (b), Bronston Water should have used 2021 as the test year.⁹ Commission Staff made adjustments to Bronston Water's 2020 test-year pro forma operations to reconcile the 2020 test year with the 2021 Annual Report. The Commission finds that the change in the test year is acceptable in order to utilize the 2021 Annual Report's totals.

SUMMARY OF REVENUE AND EXPENSES

The Commission Staff's Report summarizes Bronston Water's pro forma income statement as follows:

	2020 Test Year	2020-2021 Reconciliation Adjustments	Pro Forma Adjustments	Commission Staff's Report Pro Forma
Total Operating Revenues	\$816,495	\$33,364	\$(4,527)	\$845,332
Utility Operating Expenses	821,080	(68,455)	(44,816)	707,809
Net Utility Operating Income	(4,585)	101,819	40,289	137,523
Interest and Dividend Income	3,927	(1,750)	-	2,177
Total Utility Operating Income	<u>\$(658)</u>	<u>\$100,069</u>	<u>\$40,289</u>	<u>\$139,700</u>

⁹ Annual report for the immediate past year means an annual report that covers that applicant's operations for either: The calendar year period prior to the year in which the applicant's application for rate adjustment is filed with the commission; or The most recent calendar year period that 807 KAR 5:006 Section 4(1), requires the applicant to have on file with the commission as of the date the filing of its application for rate adjustment.

ACCOUNTING SOFTWARE

In Commission Staff's Report, Commission Staff noted that Bronston Water does not utilize any form of accounting software; instead, has used a "home-made" method of record keeping for over 20 years, this has resulted in Bronston Water's Certified Public Accountant (CPA) being required to create Bronston Water's financial statements by hand each year rather than allowing computer software to generate them. Therefore Commission Staff recommended Bronston Water to obtain accounting software and follow the Uniform System of Accounts for Class A/B Water Systems (USoA). The Commission finds that this recommendation is reasonable and recommends that Bronston Water obtain and utilize standard accounting software because Bronston Water's record keeping lacks clarity and standardization which inhibits a thorough review of Bronston Water's financial records.

REVIEW AND MODIFICATIONS TO COMMISSION STAFF'S FINDINGS

Bronston Water proposed adjustments to revenues and expenses to reflect current and expected operating conditions. In the Commission Staff's Report, Staff proposed additional adjustments. The Commission accepts the findings contained in the Commission Staff's Report. Regarding any further modifications, the Commission has none.

REVENUE REQUIREMENTS

Billing Analysis Adjustment. Bronston Water provided usage data by meter size, listing the water usage and water sales revenue for the 12-month test year,¹⁰ as well as billing adjustments for leaks and an overpayment adjustment. Commission Staff

¹⁰ Current_Billing_Analysis_2021_Corrected.pdf (filed Aug. 18, 2022).

calculated the data provided within a normalized billing analysis, and determined that annual base rate revenues of \$827,453 for all retail customers is an accurate representation of the normalized test-year revenue from water sales. In the Commission Staff's Report, Commission Staff recommended a decrease to Bronston Water's test-year Water Sales Revenue of \$3,198.¹¹ The Commission finds that this adjustment is reasonable because an examination of Bronston Water's billing analysis was completed by Commission Staff and a normalized revenue was based on the information provided.

Late Payment Fees. Bronston Water included the test-year late payment revenue in the amount of \$12,549 within the total for metered water sales, which Commission Staff deducted from Meter Water Sales in the Commission Staff's Report.¹² Commission Staff also recommended an increase to Bronston Water's test year Other Water Revenues in the amount of \$15,422¹³ to reflect the normalization of Late Payment Fees to account for the moratorium regarding the collection of late payment fees due to the COVID-19 pandemic. The Commission finds that this adjustment, which is the average of the previous three years' late payment fees. Follows Commission precedent,¹⁴ is a known

¹¹ Commission Staff's Report at 9-10, Adjustment A.

¹² Commission Staff's Report at 10-12, Adjustment B.

¹³ Commission Staff's Report at 10-12, Adjustment B.

¹⁴ Case No. 2021-00475, *Electronic Application of Carroll County Water District No. 1 for an Adjustment of Rates Pursuant to 807 KAR 5:076* (Ky. PSC June 28, 2022).

and measurable change¹⁵ to Other Water Revenues, is reasonable, and should be accepted.

Nonrecurring Charges. In the Commission Staff's Report, Commission Staff discussed Bronston Water's Nonrecurring Charges¹⁶ in which estimated labor costs, previously included in determining the amount of Nonrecurring Charges, are removed. Commission Staff recommended revised Nonrecurring Charges and a reduction to Other Water Revenues in the amount of \$4,202,¹⁷ to reflect the change in the nonrecurring charges. The Commission continues to follow its previous decisions regarding Nonrecurring Charges: personnel are paid during normal business hours and their salaries are recovered through rates.¹⁸ Allowing a utility to recover the same labor expense twice is not fair, just, and reasonable. Therefore, estimated labor costs previously included in determining the amount of Nonrecurring Charges shall be eliminated from the charges.

The Commission finds that the calculation of Nonrecurring Charges shall be revised and only the marginal costs related to the service should be recovered through a

¹⁵ See 807 KAR 5:001, Section 16.1.(a); Case No. 2001-00211, *The Application of Hardin County Water District No. 1 for (1) Issuance of Certificate of Public Convenience and Necessity; (2) Authorization to Borrow Funds and to Issue Its Evidence of Indebtedness Therefore; (3) Authority to Adjust Rates; and (4) Approval to Revise and Adjust Tariff* (Ky. PSC Mar. 1, 2002); Case No. 2002-00105, *Application of Northern Kentucky Water District for (A) an Adjustment of Rates; (B) a Certificate of Public Convenience and Necessity for Improvements to Water Facilities if Necessary; and (C) Issuance of Bonds* (Ky. PSC June 25, 2003); Case No. 2017-00417, *Electronic Proposed Adjustment of the Wholesale Water Service Rates of Lebanon Water Works* (Ky. PSC July 12, 2018); and Case No. 2019-00080, *Electronic Proposed Adjustment of the Wholesale Water Service Rates of the City of Pikeville to Mountain Water District* (Ky. PSC Dec. 19, 2019).

¹⁶ Commission Staff's Report at 6-7, item 3.

¹⁷ Commission Staff's Report at 12, Adjustment C.

¹⁸ Case No. 2020-00141, *Electronic Application of Hyden-Leslie County Water District for an Alternative Rate Adjustment* (Ky. PSC Nov. 6, 2020) at 19—20.

special nonrecurring charge for service provided during normal working hours. The Commission requires that charges be directly related to the actual cost incurred to provide the service. It is unreasonable to allocate an expense already incurred as a day-to-day cost of maintaining a system, such as the salary of a distribution operator, to a nonrecurring service such as the connection and reconnection of a meter during normal working hours. The perceived unfairness from removal of these costs does not outweigh the mismatch of costs and revenues.

The nonrecurring charges shall each be reduced by the estimated labor costs stated in the cost justification sheets. The Commission finds the revised nonrecurring charges set out in Appendix B and the decrease of \$4,202 to Other Water Revenue to be reasonable and should be accepted.

Salaries and Wages – Employees. In the Commission Staff’s Report, Commission Staff recommended an increase to Bronston Water’s Salaries and Wages – Employees of \$39,685¹⁹ to reflect an increase in employee wages, the replacement of a former employee, and to reflect a salary change of one employee who retired and was subsequently rehired in a new position. The Commission finds that this adjustment is a known and measurable change to Salaries and Wages – Employees, is reasonable, and should be accepted.

Salaries and Wages – Officers. In the Commission Staff’s Report, Commission Staff recommended an increase to Bronston Water’s Salaries and Wages – Officers of \$300²⁰ to reflect the normalization of the test year commissioner’s salaries. The

¹⁹ Commission Staff’s Report at 13, Adjustment D.

²⁰ Commission Staff’s Report at 13—14, Adjustment E.

Commission finds that this adjustment is a known and measurable change to Salaries and Wages – Officers, is reasonable, and should be accepted.

Employee Pensions and Benefits – Insurance. In Commission Staff’s Report, Commission Staff recommended a decrease to Bronston Water’s Employee Pensions and Benefits of \$1,286²¹ to reflect the adjustment of single insurance premiums paid by Bronston Water from 100 percent to 78 percent to be consistent Commission precedent regarding premiums paid for health benefits. The Commission finds that this adjustment is a known and measurable change to Employee Pensions and Benefits, is reasonable, and should be accepted.

Purchased Water Expense. In Commission Staff’s Report, Commission Staff recommended a decrease to Bronston Water’s Purchased Water Expense of \$11,219²² to reflect the normalization of Purchased Water Expense. The Commission finds that this adjustment is a known and measurable change to Purchased Water, is reasonable, and should be accepted.

Expenses Attributable to Excess Water Loss. Bronston Water’s test year water loss was 15.03 percent. Commission regulation 807 KAR 5:066, Section 6(3), limits water loss to 15 percent for ratemaking purposes, unless the Commission finds an alternative level is reasonable. In the Commission Staff’s Report, Commission Staff recommended a decrease to Bronston Water’s Purchased Water Expense of \$63 and Purchased Power Expense of \$1²³ to reflect the costs associated with the production of water in excess of

²¹ Commission Staff’s Report at 15—16, Adjustment F.

²² Commission Staff’s Report at 16—17, Adjustment G.

²³ Commission Staff’s Report at 17—18, Adjustment H.

15 percent water loss. The Commission finds that this adjustment is a known and measurable change to Purchased Water Expense and Purchased Power Expense, is reasonable, and should be accepted.

Expenses Related to Meter Installation. In the Commission Staff's Report, Commission Staff recommended no adjustment to Bronston Water's test-year Contractual Services – Other and Materials and Supplies²⁴ to reflect that during the 2021 test year, Bronston Water properly accounted for expenses related to the installation new water connections. The Commission agrees with Commission Staff's recommendation and finds that no adjustment is needed for the reported amounts for Contractual Services – Other and Materials and Supplies.

Depreciation Expense. In the Commission Staff's Report, Commission Staff recommended a decrease to Bronston Water's Depreciation Expense of \$75,268²⁵ to reflect the adjustment of the useful life of capital assets to the midpoint of the National Association of Regulatory Utility Commissioners (NARUC) depreciation study. The Commission finds that this adjustment is a known and measurable change to Depreciation Expense, is reasonable, and should be accepted.

Taxes Other than Income – FICA. In Commission Staff's Report, Commission Staff recommended an increase to Bronston Water's Taxes Other than Income Expense by \$3,036²⁶ to account for the increased contribution amount of pro forma wage adjustment multiplied by the FICA percentage rate of 7.65 percent. The Commission

²⁴ Commission Staff's Report at 18, Adjustment I.

²⁵ Commission Staff's Report at 18—20, Adjustment J.

²⁶ Commission Staff's Report at 20, Adjustment K.

finds that this adjustment, is a known and measurable change to Taxes Other than Income, is reasonable and should be accepted.

Based on the Commission’s findings discussed above, the following table summarizes Bronston Water’s adjusted pro forma operations:²⁷

	Commission Staff’s Report Pro Forma	Commission Adjustments	Final Pro Forma
Total Operating Revenues	\$845,332	-	\$845,332
Utility Operating Expenses	707,809	-	707,809
Net Utility Operating Income	137,523	-	137,523
Interest and Dividend Income	2,177	-	2,177
Total Utility Operating Income	<u>\$139,700</u>	<u>-</u>	<u>\$139,700</u>

REVENUE REQUIREMENTS

Based upon the Commission’s findings and determinations herein, Bronston Water requires an increase in revenues of \$83,978, or 10.15 percent above pro forma present rate revenues, as shown below. This increase is required for Bronston Water to remain operational and financially sound and have an opportunity to provide adequate, efficient, and reasonable service to its customers.

Pro Forma Operating Expenses	\$ 707,809
Plus: Average Annual Principal and Interest Payments	186,398
Additional Working Capital	<u>37,280</u>
Total Revenue Requirement	931,487
Less: Other Operating Revenue	(17,879)
Interest Income	<u>(2,177)</u>
Revenue Required from Water Sales	911,431
Less: Revenue From Sales at Present Rates	<u>(827,453)</u>
Required Revenue Increase	<u>\$ 83,978</u>
Percentage Increase	<u>10.15%</u>

²⁷ See Appendix A to this Order for a complete pro forma.

RATE DESIGN

Bronston Water proposed to increase all of its monthly retail water service rates evenly across the board by approximately 15.64 percent. Bronston Water has not performed a cost of service study (COSS). Bronston Water stated that it did not complete a COSS, as there were no material changes in the water system to warrant a COSS. In the Commission Staff's Report, Commission Staff followed the method proposed by Bronston Water and allocated Commission Staff's calculated revenue increase across-the-board to Bronston Water's monthly retail water service rates. The Commission finds that in the absence of a COSS, the proposed across-the-board method is an appropriate and equitable method to allocate the increased cost to Bronston Water's customers.

The rates set forth in Appendix B to this Order are based upon the revenue requirement the Commission has found to be fair, just and reasonable, and will produce sufficient revenues from water sales to recover the \$911,431 Revenue Required from Water Sales, an approximate 10.15 percent over normalized test-year water sales of \$827,453. The monthly bill of a typical residential customer using 4,000 gallons of water will increase from \$40.65 to \$44.77, an increase of \$4.12, or approximately 10.14 percent.

RATE CASE FREQUENCY

In Case No. 2019-00041 and the resulting investigative report, the Commission discussed the problems that can occur when utilities avoid a review of their financial records.²⁸ A key recommendation from that investigative report was that water utilities should monitor the sufficiency of their base rates closely and, in general, apply for base

²⁸ Case No. 2019-00041, *Electronic Investigation into Excessive Water Loss by Kentucky's Jurisdictional Water Utilities* (Ky. PSC. Nov. 22, 2019), Order.

rate adjustments on a more frequent basis.²⁹ In light of its findings in Case No. 2019-00041, the Commission noted in Case No. 2020-00416³⁰ that Bronston Water had not sought a general base rate adjustment since 2003.³¹ Because it had been more than 19 years since the Commission last reviewed Bronston Water's rate sufficiency and financial records, the Commission ordered Bronston Water to file an application for an alternative rate adjustment within one year of the date of filing of the Order in Case No. 2020-00416.³²

The Commission recommends that Bronston Water conduct internal financial reviews on an annual basis to ensure that its water rates are sufficient. The Commission also recommends that Bronston Water's Board of Commissioners consider filing periodic rate cases with the Commission every three to five years and implement a written policy to that effect to maintain a regular review of the utility's finances. These are good practices to ensure that there is not a 19-year gap between base rate cases in the future. If Bronston Water needs assistance in conducting its annual internal rate reviews to ensure the sufficiency of its rates, Bronston Water can request the Commission to allow its Financial Analysis Staff to assist with the annual rate analysis.

SUMMARY

After consideration of the evidence of record and being otherwise sufficiently advised, the Commission finds that the findings contained in the Commission Staff's Report are supported by the evidence of record and are reasonable. The Commission

²⁹ Case No. 2019-00041, Nov. 22, 2019 Order.

³⁰ Case No. 2020-00416, Apr. 30, 2021 Order at 3.

³¹ Case No. 2003-00159, July 7, 2003.

³² Case No. 2020-00416, Apr. 30, 2021, at 5, ordering paragraph 1.

has historically used a Debt Service Coverage (DSC) method to calculate the revenue requirement for water districts or associations with outstanding long-term debt. Application of the Commission's DSC method to Bronston Water's pro forma operations results in an Overall Revenue Requirement of \$931,487. A revenue increase of \$83,978 from water service rates is necessary to generate the overall revenue requirement. The Commission finds that allocating the calculated revenue increase across the board to Bronston Water's monthly retail water service rates to be fair, just and reasonable.

IT IS THEREFORE ORDERED that:

1. The findings contained in the Commission Staff's Report are adopted and incorporated by reference into this Order as if fully set out herein.
2. The general service rates proposed by Bronston Water are denied.
3. The rates set forth in Appendix B to this Order are approved for services rendered by Bronston Water on and after the date of this Order.
4. Within 20 days of the date of service of this Order, Bronston Water shall file with this Commission, using the Commission's electronic Tariff Filing System, new tariff sheets setting forth the rates and charges approved herein and their effective date, and stating that the rates and charges were authorized by this Order.
5. Bronston Water shall use the midpoint of the depreciable lives of the NARUC ranges, as proposed in the application and agreed upon by Staff, to depreciate water plant assets for accounting purposes in all future reporting periods. No adjustment to accumulated depreciation or retained earnings should be made to account for this change in the accounting estimate.
6. This case is closed and removed from the Commission's docket.

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. 2022-00117 DATED OCT 12 2022

	2020 Test Year	2020-2021 Reconciliation Adjustments	Commission Staff's Report Adjustments	Commission Adjustments	Final Pro Forma
Operating Revenues					
Total Metered Water Sales	\$ 816,495	\$ 26,705	\$ (3,198)		\$ 827,453
			(12,549)		
Other Water Revenues					
Forfeited Discounts			15,422		15,422
Miscellaneous Service Revenues		6,659	(4,202)		2,457
Total Operating Revenues	816,495	33,364	(4,527)	-	845,332
Operating Expenses					
Operation and Maintenance Expenses					
Salaries and Wages - Employees	135,276	(3,657)	39,685		171,304
Salaries and Wages - Officers	8,050	650	300		9,000
Employee Pensions and Benefits	6,655	(713)	(1,286)		4,656
Purchased Water	318,360	(57,661)	(11,219)		249,417
			(63)		
Purchased Power	5,064	112	(1)		5,175
Materials and Supplies	26,134	(5,487)	-		20,647
Contractual Services- Accounting	12,650				12,650
Contractual Services- Other	6,481	(2,278)	-		4,203
Transportation Expenses	6,773	154			6,927
Insurance- General Liability	17,113	(1,724)			15,389
Insurance- Worker's Compensation	754	1,790			2,544
Insurance- Other		99			99
Bad Debt Expense	2,348	2,123			4,471
Miscellaneous Expense	30,444	(659)			29,785
Total Operation and Maintenance Expenses	576,102	(67,251)	27,416	-	536,267
Depreciation	231,298	(153)	(75,268)		155,877
Taxes Other Than Income	13,680	(1,051)	3,036		15,665
Utility Operating Expenses	\$ 821,080	\$ (68,455)	\$ (44,816)	\$ -	707,809
Net Operating Income	(4,585)	101,819	40,289	-	137,523
Interest and Dividend Income	3,927	(1,750)	-	-	2,177
Income Available to Service Debt	\$ (658)	\$ 100,069	\$ 40,289	\$ -	\$ 139,700

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2022-00117 DATED OCT 12 2022

The following rates and charges are prescribed for the customers in the area served by Bronston Water Association. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8- X 3/4-Inch Meter

First	1,500 Gallons	\$ 24.44	Minimum Bill
Over	1,500 Gallons	0.00813	Per Gallon

1-Inch Meter

First	5,000 Gallons	\$ 50.72	Minimum Bill
Over	5,000 Gallons	0.00813	Per Gallon

2-Inch Meter

First	20,000 Gallons	\$134.30	Minimum Bill
Over	20,000 Gallons	0.00813	Per Gallon

4-Inch Meter

First	50,000 Gallons	\$310.76	Minimum Bill
Over	50,000 Gallons	0.00813	Per Gallon

Nonrecurring Charges

Late Payment Charge	10%
Connection Turn-On Charge	\$18.00
Meter Relocation Charge	Actual
Meter Test Charge	\$65.00
Re-connection Charge	\$21.00
Meter Re-set Charge	\$26.00
Returned Check Charge	\$20.00
Service Call/ Investigation Charge	\$18.00

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