



SOUTH LOGAN WATER ASSOCIATION, INC.

114 S. MAIN STREET
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February 12, 2025

Ms. Linda Bridwell
Executive Director
Public Service Commission
PO Box 615
Frankfort, KY 40602

RE: Case No. 2024-00203
South Logan Water Association
Response to Staff Report of February 10, 2025

Dear Ms. Bridwell:

South Woodford Water Association (the "Association") submits the following comments concerning the Commission Staff Report dated February 10, 2025:

1. The Association does not agree with Staff's recommendation to exclude the excess water loss bonus from the calculation for Salaries and Wages. By the Commission Staff's determination that it "*does not find it appropriate to reward staff for performing a function that is an inherent focus and responsibility of the utility*", it appears that no performance-based bonus would be allowed, since all employee activities are "*an inherent focus and responsibility of the utility*". However, the bonus is clearly performance-based, supports the customers' interest in reducing water loss, and is within the authority of the Association to manage and compensate its staff. The Association respectfully requests that the Commission restore the excess water loss bonus to the calculation for Salaries and Wages.
2. Although the Association does not agree with the Staff's removal of certain labor expenses from nonrecurring charges, the Association does not wish to contest that adjustment in this case. The Association's failure to object to Staff's findings and recommendations concerning the reduction of certain Non-Recurring Charges shall not be construed to be a waiver of the Association's right to contest a similar finding or recommendation in a future rate proceeding. The Association expressly reserves its right to do so.
3. The Association concurs with the remainder of findings presented in the Staff Report.
4. The Association waives its right to request an informal conference or hearing in this case.

If you need any additional information from the Association to expedite implementation of the new rates, please contact our office.

Sincerely,

Johnna Roark
Office Manager