

COMMONWEALTH OF KENTUCKY
BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF BRONSTON)
WATER ASSOCIATION, INC. FOR A RATE ADJUSTMENT) CASE NO. 2026-00018
PURSUANT TO 807 KAR 5:076)

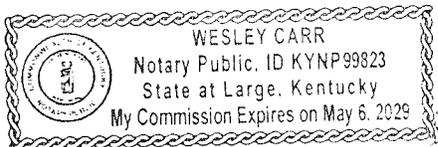
VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF PULASKI)

Jennifer Tucker states that she is the Office Manager of Bronston Water Association who has personal knowledge of the matters set forth in the accompanying data responses to the Kentucky Public Service Commission's First Request for Information for which she is identified as a responsible witness and that the answers contained therein are true and correct to the best of her information, knowledge and belief.

Jennifer Tucker
Jennifer Tucker

The foregoing Verification was signed, acknowledged and sworn to before me this 3rd day of March 2026.



Wesley Carr

Commission expiration: 05/06/2029

Notary ID: KYNP99823

COMMONWEALTH OF KENTUCKY
BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

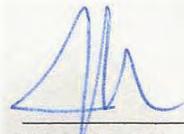
In the Matter of:

ELECTRONIC TARIFF FILING OF BRONSTON)
WATER ASSOCIATION, INC. FOR A RATE ADJUSTMENT) CASE NO. 2026-00018
PURSUANT TO 807 KAR 5:076)

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

Jack Scott Lawless, President of J S Lawless Consulting, PLLC, states that he has assisted Bronston Water Association Bath County Water District with the preparation of the responses to the Kentucky Public Service Commission's First Request for Information to Bronston Water Association for which he is identified as a responsible witness and that the answers contained therein are true and accurate to the best of his information, knowledge and belief.



Jack Scott Lawless

The foregoing Verification was signed, acknowledged and sworn to before me this 3 day of March 2026.



Commission expiration: 4/6/27

Notary ID: KYNP70249

Witness: Jennifer Tucker

1. Provide the following information related to each of the billing software and the general ledger software Bronston Water used during the test period:

- a. State whether Bronston Water uses an integrated software program for billing and its general ledger.
- b. Brand or common name for each software.
- c. State whether each software is locally installed on a utility-owned computer or is a subscription service that is internet based.
- d. If locally installed, state the installation date.
- e. State whether each system is still serviced by the manufacturer and whether the utility maintains a service contract.

Response:

- a. Bronston Water's billing software program is not integrated with its general ledger software program.
- b. Bronston uses Intuit Quickbooks to maintain the general ledger and currently uses Ampston for billing purposes. Bronston recently signed a contract with United Systems Software to replace Ampston. The change in billing software is expected to occur in June 2026.
- c. All systems are internet based.
- d. N/A.
- e. Service contracts are maintained for all internet based software programs.

Witness: Jennifer Tucker

2. Provide copies of each of the following, and when appropriate, provide in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

Employee names should be redacted from all documents.

a. The general ledger in Excel spreadsheet format with all transactions for the year ended December 31, 2025.

b. The trial balance in Excel spreadsheet format for the year ended December 31, 2025.

Response:

a. The 2025 general ledger Excel workbook was provided to the Kentucky Public Service Commission on January 30, 2026 as part of the Supplemental Information filed Bronston Water's ARF Application.

b. See attached file named "2 Response to KPSC DR1 Item 2 Trial Balance."

Witness: Jennifer Tucker

3. Provide certificates of insurance and most recent invoices for general liability, workers' compensation, automobiles, property and casualty, and any other coverage for 2024 and 2025.

Response:

See attached file named "3 Response to KPSC DR1 Item 3 Certificates of Insurance."

Witness: Jennifer Tucker

4. Provide the minutes from Bronston Water's Board of Directors meetings for calendar years 2024, 2025, and year-to-date 2026. Consider this a continuing request through the date of issuance of Commission Staff's Report.

a. Designate each action that authorizes hiring.

b. Designate each action that authorizes adjustments to wage rates, any other compensation (including bonuses), or fringe benefit actions.

c. Provide any document authorizing Annual Incentive Pay as referenced in Statement of Adjusted Operations (SAO), Adjustment J and provide written personnel policies or compensation plans explaining how the amount was determined, including applicable eligibility criteria and approval authority.

Response:

See attached file named "4 Response to KPSC DR1 Item 4 Board Minutes."

a. N/A.

b. Wage rates and other compensation are authorized in minutes dated March 7, 2024 Monthly Meeting, September 3, 2024, December 2, 2024, January 6, 2025, March 3, 2025 Monthly Meeting, October 6, 2025, December 1, 2025, and January 5, 2026.

c. There is no formal written personnel policy or plan concerning incentive pay. Incentive pay is awarded based on performance as voted on by the Board of Directors. Approval authority is included in the minutes dated December 2, 2024, and December 1, 2025.

Witness: Jennifer Tucker

5. Provide a document that lists the name of each Board member during any portion of calendar year 2024 and 2025, their term (beginning and ending), and current authorized annual compensation.

a. State, individually, the amount of wages and each benefit (i.e., health insurance premiums, life insurance premiums, FICA taxes, etc.) paid to, or on behalf of, each Board member for each year.

b. Provide the authoritative governing documents that authorize the appointment and compensation of each Board member.

c. Provide training records for each Board member for calendar year 2024, 2025, and year-to-date 2026 inclusive of any training for which they have registered but not yet attended in 2026 or provide a statement that the individual has not attended training.

Response:

See attached file named "5 Response to KPSC DR1 Item 5 Board Term and Compensation."

a. The Board of Directors are paid for attending Board of Directors' meetings. Director wage rates are as follows for each meeting attended: President, Eric Keith, \$250; Secretary, Matt Tucker, \$200; and Board Members, Jamie Davis, Clinton Keith and Alvin Morrow, \$100 each.

b. See attached file named "5. b. Response to KPSC DR1 Item 5. b. authoritative documents."

c. N/A

Witness: Jennifer Tucker

6. Refer to Bronston Water's Tariff, PSC Ky. No. 2, Original Sheet No. 11, Rules and Regulations (Billing, Meter Readings, and Related Information).

a. Provide the date that Bronston Water's billing cycle begins (meter read date).

b. State whether the date that the billing cycle begins is the date that would be best stated as the effective date of any order the Commission issues concerning rates in this case.

Response:

a. Bronston Water reads meters on the 10th of each month unless this date falls on a weekend or holiday.

b. Yes, the beginning of the billing cycle would be the best date to make effective a change to Bronston Water's water service rates.

Witness: Jennifer Tucker

7. State the last time Bronston Water performed a cost of service study (COSS) to review the appropriateness of its current rates and rate design.

a. Explain whether Bronston Water considered filing a COSS with the current rate application and the reasoning for not filing one.

b. Explain whether any material changes to Bronston Water system would cause a new COSS to be prepared since the last time it completed one.

c. If there have been no material changes to Bronston Water system, state when Bronston Water anticipates completing a new COSS.

d. Provide a copy of the most recent COSS that has been performed for Bronston Water system in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

Response: Based upon a review of the cases on the KPSC website, it appears that Bronston Water has not performed a COSS in the last 20 or more years.

a. Bronston Water did not consider filing a COSS with the current rate application because there have been no material changes to the system.

b. Material changes in the Bronston Water's system would cause a new COSS to be appropriate.

c. A new COSS would be appropriate if material changes in customer usage patterns were to occur.

d. Bronston Water was unable to locate a copy of the most recent COSS that has been performed.

Witness: Jennifer Tucker

8. Provide updated cost justification sheets to support each nonrecurring charge listed in Bronston Water's tariff.

Response:

See attached file named "8 Response to KPSC DR1 Item 8 Nonrecurring Charge Cost Justification Sheets."

Witness: Jennifer Tucker

9. Provide updated cost justification sheets to support each
Meter Connection/Tap-on Charge listed in Bronston Water's tariff.

Response:

See attached file named "9 Response to KPSC DR1 Item 9 Meter Connection Cost Justification Sheets."

Witness: Jennifer Tucker

10. Refer to the Application, Exhibit 3, page 3, Revenue from Non-Recurring Charges.
 - a. State whether Bronston Water's tariff currently includes a Non-Recurring Charge for Reimbursements for Property Damage (Locks).
 - b. If not, state whether Bronston Water is proposing to include Reimbursements for Property Damage (Locks) as a Non-Recurring Charge in its tariff.
 - c. If confirmed, provide cost justification sheets to support this charge.

Response:

- a. Bronston Water's current Tariff Sheet 37, Z. Legal Disclaimers. 2. provides that Bronston Water may collect for the cost of damaged property. Pursuant to this tariff, Bronston Water charges a member for the cost of a lock used to discontinue service when the member damages the lock beyond repair to restore unauthorized water service.
- b. Bronston Water is not proposing a change to its tariff regarding property damage.
- c. N/A.

Witness: Jennifer Tucker

11. Refer to Bronston Water's Tariff, PSC Ky. No. 1, Third Revised Sheet No. 7. Also, refer to the Application, Exhibit 3, page 3, Revenue from Non-Recurring Charges. State whether Bronston Water had any occurrences of Meter Testing in the test year.

Response:

No member requested a meter test during the test year for which the tariffed Meter Test Charge would apply.

Witness: Jennifer Tucker

12. Refer to Application, SAO, Adjustment K, Employee Benefits.
- a. State whether Bronston Water's employees contribute to any of the employee benefits offered. If yes, provide explanations for how the amount was determined.
 - b. Provide a copy of invoice for 2024 for Bronston Water's health insurance and short-term disability and supplemental health insurance.
 - c. Provide a copy of the most recent invoice for Bronston Water's health insurance and short-term disability and supplemental health insurance.

Response:

- a. Prior to January 5, 2026, Bronston Water employees contributed 35 percent of the cost of a multifamily health insurance plan that was above the cost of a single employee health plan. After January 5, 2026, Bronston Water pays the cost of all employee health, short-term disability and supplemental health insurance.

It is unclear to Bronston Water's current administration how the 35 percent contribution rate was originally established. It was eliminated to provide an added benefit to attract and retain employees.

- b. All employees are automatically enrolled to receive short-term disability and supplemental health insurance benefits. Only two employees were enrolled in Bronston Water's health insurance plan in 2024, 2025 and 2026. Copies of the December 2024 invoices are attached.
- c. Copies of the most recent invoices are attached.



Invoice

Date	Invoice #
11/13/2024	921-2024-11

Bill To
Bronston Water Association P.O. Box 243 Bronston, KY 42518

CoveragePerio	Due Date
NOV 2025	12/25/2024

Description	Coverage	Type	Amount
Medical - Alonzo Early	Emp/Ch		1,316.99
ANTHEM Monthly Membership Dues			5.00
Total			1,321.99
Medical - Jennifer Tucker	Fam		2,121.83
ANTHEM Monthly Membership Dues			5.00
Total			2,126.83

Total	\$3,448.82
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GLOBE LIFE
 FAMILY HERITAGE DIVISION

INVOICE

P. O. BOX 470608
 CLEVELAND, OH 44147
 PHONE: (440) 922-5222

INVOICE #2024-12-01
 DUE DATE: 12/15/24

BILL TO:
 BRONSTON WATER ASSOCIATION
 P. O. BOX 243
 BRONSTON, KY 42518

COMMENTS OR SPECIAL INSTRUCTIONS:
 SUPPLEMENTAL INSURANCE PREMIUMS FOR EMPLOYEES

SALESPERSON	P.O. NUMBER	REQUISITIONER	SHIPPED VIA	F.O.B. POINT	TERMS
MUNCY					

POLICY #	DESCRIPTION	UNIT PRICE	TOTAL
1341626521	MONTHLY SUPPLEMENTAL INSURANCE PREMIUM	13.00	136.30
			126.00
			58.40
			58.40
			48.40
			48.40
			47.40
			40.80
			31.60
			31.60
			28.80
TOTAL DUE			656.10

THANK YOU FOR YOUR BUSINESS!



Invoice

Date	Invoice #
2/13/2026	921-2026-03

Bill To
Bronston Water Association P.O. Box 243 Bronston, KY 42518

Coverage Period	Due Date
MARCH 2026	2/25/2026

Description	Coverage	Type	Amount
Medical - Alonzo Early	Emp/Sp		2,031.67
ANTHEM Monthly Membership Dues			5.00
Total			2,036.67
Medical - Jennifer Tucker	Family		2,805.64
ANTHEM Monthly Membership Dues			5.00
Total			2,810.64
		Total	\$4,847.31

Witness: Jennifer Tucker

13. Refer to the Application, SAO, Adjustment O. Provide the following information regarding the proposed rate case amortization expense.

- a. State whether the estimated cost for this case is a fixed amount or indicate whether the quoted amount may increase or decrease.
- b. Provide a copy of the quote for the preparation of the rate case.
- c. Confirm that the anticipated rate case expense will be paid by Bronston Water and not paid by a third party, i.e. grant funding. If not confirmed, provide the source of funding, describe the agreement or arrangement facilitating the third-party funding and provide any preliminary and final written agreements reflecting the third-party funding.

Response:

- a. The estimated consulting fees to complete the rate study is the “not to exceed limit” established in the Kentucky Rural Water Association (“KRWA”) service agreement provided in response to item 13.b of this request for information. Bronston Water and KRWA expect the total cost of the rate application to reach the contract limit.
- b. Document is provided on the next page.
- c. Bronston will pay all rate case expenses without assistance from a third party.



Proposed Rate Study
Bronston Water Association
Prepared by: **Kentucky Rural Water Association**
June 2025

Kentucky Rural Water Association (KRWA) will perform a water rate study for Bronston Water Association using methodologies acceptable to Kentucky Public Service Commission (KY PSC) upon approval of this proposal.

Scope of Work

This work will include completing the following items:

- ✓ Preparation of Schedule of Adjusted Operations, Revenue Requirement Calculations, Proposed Rate Schedules, and Billing Analyses.
- ✓ Preparation of a written summary report.
- ✓ Attendance at one meeting with Board of Commissioners for presentation of report.
- ✓ Submission of Alternative Rate Filing Application to KY PSC.
- ✓ Coordination and submission of responses to KY PSC Staff Requests for Information.
- ✓ Preparation of response to KY PSC Staff Report.
- ✓ Preparation of updated Tariff sheets.

This proposal does not include attendance at public hearings and other meetings.

Qualifications

The rate study will be performed by an experienced contractor selected by KRWA.

Estimated Start and Completion Times

The rate study will commence within 30 days of approval of this proposal and direction from Bronston Water Association. Completion time is determined by KY PSC but is typically within 270 days of initiation of the project.

Estimated Total Cost	\$ 9,335
Not to Exceed Total	\$11,200

The cost of the rate study will be included in the revenue requirement for recovery in rates. Billing for the rate study will occur quarterly.

Accepted by: Jennifer Tucker Date: 9/3/25

Witness: Jennifer Tucker and Jack Scott Lawless

14. Refer to Application, References, Reference M, explain how the estimated Useful Lives of Water Heater and Seal Parking Lot were determined.

Response:

The water heater is covered by a 6-year limited warranty (See below). Bronston Water considers seven years, or one year beyond the warranty, to be a reasonable basis for depreciation purposes.

Bronston Water's office parking lot requires resealing every 5 years.

LABOR, SHIPPING, AND PROCESSING COSTS

The Limited Warranty does **NOT** cover any **labor expenses** for service, repairs, reinstallation, permits, or removal and disposal of the failed water heater, or defective component part(s). All such expenses are your responsibility.

Rheem will pay the **transportation costs** for an "in-warranty" replacement water heater, or "in-warranty" replacement component part(s), to a convenient delivery point (selected by Rheem) near the place the original water heater, or original component part(s) is located; such as a local Rheem water heater distributor. You must pay any local freight charges, including the cost of returning the failed water heater, or defective component part(s), to a convenient shipping location (selected by Rheem); such as a local Rheem water heater distributor or Ruud water heater distributor.

Rheem does **NOT** authorize, recommend, or receive any benefit from any **claims processing or similar fees** charged by others to process warranty claims for any Rheem water heater, or component part(s). Rheem will **NOT** reimburse any party for these, or any other, fees not specifically covered in this Limited Warranty document.

**DO NOT RETURN THIS DOCUMENT TO RHEEM.
KEEP IT WITH YOUR WATER HEATER OR BUSINESS RECORDS.**

Name of Owner: _____

Owner's Address: _____

Name of Plumber/
Mechanical Contractor - Installer: _____

Address of Plumber/
Mechanical Contractor - Installer: _____

Telephone Number of Plumber/
Mechanical Contractor - Installer: _____

Date of Water Heater Installation: _____

Model Number of Your Water Heater: _____

Serial Number of Your Water Heater: _____

Rheem Water Heaters Warranty Department 800 Interstate Park Drive Montgomery, Alabama 36109 USA	Important Telephone Numbers: Rheem Customer Service (800) 421-5622 Rheem Technical Service Department (800) 432-8373
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Rheem® and Ruud® Water Heaters

**RESIDENTIAL GAS OR ELECTRIC
WATER HEATERS
WITH A 6 YEAR TANK AND 6 YEAR PARTS
LIMITED WARRANTY**

LIMITED WARRANTY

For the RHEEM® or RUUD® Residential Gas or Electric Water Heater Models

GENERAL

This Limited Warranty is only available to the original owner of this water heater. It is not transferable.

Rheem Sales Company, Inc. (Rheem®) warrants this Rheem® or Ruud® water heater, and its component parts, to be free from defects in materials and workmanship, under normal use and service, for the Applicable Warranty Period. At its option, Rheem will repair or replace the defective water heater, or defective component part(s), in accordance with the terms of this Limited Warranty, if it fails in normal use and service during the Applicable Warranty Period. The replacement water heater must be manufactured by Rheem. The replacement component part(s) must be Rheem authorized component part(s). The replacement unit will be warranted only for the unexpired portion of the original unit's Applicable Warranty Period.

APPLICABLE WARRANTY PERIODS

The Applicable Warranty Periods are six (6) years from the Effective Date for the tank and the component parts if the water heater is installed in a single-family dwelling. If the water heater is installed anywhere other than a single-family dwelling, the Applicable Warranty Periods will be limited to one (1) year from the Effective Date*.

EXCLUSIVE WARRANTY – LIMITATION OF LIABILITY

This Limited Warranty is the only Warranty for this unit given by the Water Heater Division of Rheem Sales Company. No one is authorized to make any other warranties on behalf of Rheem. **ANY IMPLIED WARRANTIES, INCLUDING MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE, SHALL NOT EXTEND BEYOND THE APPLICABLE WARRANTY PERIODS SPECIFIED PREVIOUSLY. RHEEM'S SOLE LIABILITY, WITH RESPECT TO ANY DEFECT, SHALL BE AS SET FORTH IN THIS LIMITED WARRANTY, AND ANY CLAIMS FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING DAMAGE FROM WATER LEAKAGE) ARE EXCLUDED.** Some states do not allow limitations on how long an implied warranty lasts, or for the exclusion of incidental or consequential damages, so the above limitations or exclusions may not apply to you.

This Limited Warranty gives you specific legal rights, and you may also have other rights, which vary from state to state.

We suggest you immediately complete the information on the back of this warranty and retain this Certificate of Limited Warranty in the event warranty service is needed. Reasonable proof of the date of original purchase of the water heater may be required to establish its "in-warranty" status.

WARRANTY EXCLUSIONS

This Limited Warranty will **NOT** cover:

- a) Service trips to your home to teach you how to install, use, or maintain this water heater or to bring the water heater installation into compliance with local building codes and regulations.
- b) Damages, malfunctions or failures resulting from failure to install the water heater in accordance with applicable building codes/ordinances or good plumbing and electrical trade practices.
- c) Damages, malfunctions, or failures resulting from improper installation or failure to operate and maintain the water heater in accordance with the manufacturer's instructions provided.
- d) Performance problems caused by improper sizing of the water heater or (pertaining to gas models) the gas supply line, the venting connection, or combustion air openings or (pertaining to electric models) electric service voltage, wiring, or fusing.
- e) Damages, malfunctions, or failures caused by improper conversion from natural gas to LP gas or LP gas to natural gas fuel source.
- f) Damages, malfunctions, or failures caused by operating the water heater with the anode rod removed or with modified, altered, or unapproved parts installed.
- g) Damages, malfunctions, or failures caused by abuse, accident, fire, flood, freeze, lightning, acts of God, and the like.
- h) Tank failures (leaks) caused by operating the water heater in a corrosive or contaminated atmosphere.
- i) Damages, malfunctions, or failures caused by operating the water heater with an empty, or partially empty, tank (also known as "dry firing").
- j) Damages, malfunctions, or failures caused by operating the unit at water temperatures exceeding the maximum setting of the operating, or high limit, control.

- k) Tank failures caused by operating the water heater when it is not supplied with potable water, free to circulate at all times.
- l) Damages, malfunctions or failures caused by subjecting the tank to pressures, or firing rates, greater than those shown on the rating label.
- m) Damages, malfunctions or failures resulting from the use of any attachment, including any energy saving device, not authorized by Rheem.
- n) Units installed outside the fifty states (and the District of Columbia) of the United States of America.
- o) Units removed from the original installation location.
- p) Units that have had their rating labels removed. A water heater should not be operated if the rating label is removed.

HOW TO OBTAIN WARRANTY CLAIM ASSISTANCE

Any claim for warranty assistance must be made promptly. First, determine if your water heater is "in-warranty" (that is, within the Applicable Warranty Period). You can determine your unit's warranty status by obtaining the complete model number, the complete serial number, and the date of original purchase of your water heater and then accessing the "Warranty Verification" information on the Rheem Water Heater Division's Internet website (www.rheem.com) or contacting Rheem Water Heaters' Claims Department (telephone (800) 621-5622) during normal business hours to determine if the Applicable Warranty Period has expired.

If your water heater is "in-warranty", contact the plumber, or mechanical contractor, that installed it for assistance with the warranty repairs, or replacement, required. You may also select a plumber, or mechanical contractor, from your local Yellow Pages to assist you. Rheem Water Heaters' Technical Service personnel are available to assist you – by telephone (800) 432-8373 or via our website (www.rheem.com) - in obtaining "in-warranty" service or to answer your questions about the operation or repair of your water heater during normal business hours. Be prepared to provide the plumber, mechanical contractor, or Rheem Technical Service person you call with the complete model number, the complete serial number, and the date of original purchase of your water heater in addition to an explanation of your water heater problem.

If an exact replacement is not available, Rheem will provide you with the current model of your water heater, or component part(s), or a replacement unit with comparable operating features. If government regulations or industry certification or similar standards require the replacement water heater, or replacement component part(s), to have features not found in the defective water heater, or the defective component part(s), you will be charged for the difference in price represented by those required features. If you pay the price difference for those required features and/or to upgrade the size and/or other features available on a replacement new water heater, you will also receive a complete new Limited Warranty (with the full Applicable Warranty Period) for the replacement new water heater.

Rheem reserves the right to inspect, or require the return of, the failed water heater or the defective component part(s). Each "in-warranty" failure water heater must be made available to Rheem (with the rating label and all the component parts intact) in exchange for the replacement water heater. Each defective "in-warranty" component part to be replaced must be returned to Rheem in exchange for the replacement component part.

Warranty compensation is subject to validation of "in-warranty" coverage by Rheem Claims Department personnel.

- To obtain warranty compensation for an "in-warranty" water heater failure, you must provide Rheem with: (at Rheem's option) either the failed water heater (with the rating label and all the component parts intact) or the complete original rating label (photocopies are not acceptable) removed from the failed water heater; the complete model number and the complete serial number of the Rheem or Ruud water heater that replaced the failed unit; and the date the original water heater failed. You may also be required to provide documentary proof of the failed water heater's date of original purchase to establish its "in-warranty" status.
- To receive warranty compensation for an "in-warranty" defective component part, you must provide Rheem with: the defective component part; the complete model number and the complete serial number of the Rheem or Ruud water heater from which the defective component part was removed; and the date the defective component part failed. You may also be required to provide documentary proof or the date of original purchase of the Rheem or Ruud water heater from which the defective part was removed – or the date of purchase of the part (if it was purchased separately) - to establish the "in-warranty" status of the defective component part.

Warranty claim documentation should be mailed promptly to Rheem Water Heaters, Warranty Department, 800 Interstate Park Drive, Montgomery, Alabama 36109, USA.

(CONTINUED ON REVERSE)

Witness: Jennifer Tucker

15. Refer to Bronston Water's 2024_General_Ledger, Office Meals Account, starting on row 6144, reflecting various restaurant expenditures.

a. Explain whether such expenditures were incurred through company issued credit cards or through direct vendor invoicing.

b. Provide an explanation of the business purpose of each restaurant's expenditure.

c. Provide any written policies or procedures when Bronston Water employees would be provided with meals using company funds.

Response:

a. These expenditures were paid using a Bronston Water credit card account.

b. Generally, Bronston Water employees meet monthly to discuss general business operations and items that may be considered for discussion at the monthly Board of Directors' meetings. A modest lunch is provided at these meetings. Additionally, a Christmas dinner was provided to employees and Board Members to build comradery and relationships among Bronston Water's team members.

c. The costs of meals are reviewed for payment by the Board of Directors along with all other expenditures at the monthly board meetings.

Witness: Jennifer Tucker and Jack Scott Lawless

16. Refer to Bronston Water's 2024_General_Ledger, "Maintenance Labor" charges recorded to Miscellaneous Expense Account to JC Cain. Explain the nature of these charges and justify their classification as Miscellaneous Expense, including identification of the labor source and confirmation of whether any portion should be capitalized.

Response:

JC Cain is an excavation contractor routinely engaged by Bronston Water to perform work that requires equipment Bronston Water does not own or operate. This work primarily consists of constructing new meter installations and performing leak repairs.

For accounting purposes, test-year payments to JC Cain were recorded to the "Maintenance Labor" general ledger expense account. This account was grouped with other general ledger expense accounts that were collectively reported as Miscellaneous Expenses in the amount of \$112,327 in Bronston Water's 2024 Annual Report.

For rate-making purposes, the cost of contract meter installations was capitalized as shown in the Application at Exhibit 3, Pages 9-10, Adjustment Item (N). The cost of leak repair expense remains reported as part of pro forma Miscellaneous Expenses. A rate-making adjustment to reclassify the leak repair expenses from Miscellaneous Expenses to a Contracted Services expense account would have no effect on the rates calculated in the Application and was, therefore, not made.

BRONSTON WATER ASSOCIATION, INC.
CASE NO. 2026-00018
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

Witness: Jennifer Tucker and Jack Scott Lawless

17. Refer to Bronston Water's 2024_General_Ledger, "Advertising Expense and Miscellaneous Expense – Sewer Expenses" recorded to Miscellaneous Expense Account.

Provide an explanation for the amounts of \$484.09 and \$7,897.50 respectively.

Response:

Advertising Expenses. As shown in the table below taken from the General Ledger, all "Advertising Expenses" were paid to The Commonwealth Journal, the Bronston Water's local newspaper. Bronston Water pays a yearly subscription to the paper. Other payments were made to publish public notices

COMMONWEALTH JOURNAL	YEARLY SUBSCRIPTION	202.09
COMMONWEALTH JOURNAL	ANNUAL MEETING NOTICE	39.00
COMMONWEALTH JOURNAL	ANNUAL MEETING NOTICE	48.00
COMMONWEALTH JOURNAL	LEGAL AD - FOR DEPOSIT INCREASE	195.00
		<u>\$484.09</u>

Miscellaneous Expense – Sewer Expenses. The table below taken from the General Ledger details the Miscellaneous Expense – Sewer Expenses. The first six entries that total \$22,674.50 were related to the sewer billing service Bronston Water provides to Woodson Bend Resort and were reported to the expense account in error. They were properly removed from test-year expenses by Audit Adjustment No. 17. The \$7,897.50 remaining balance in the account is the result of Audit Adjustment Nos. 1 (\$15,290 debit entry) and 5 (\$7,392 credit entry). These audit adjustments, and their removal from test-year operations for rate-making purposes, are discussed in the Application, Exhibit 3, Page 11, Adjustment Item (P).

BRONSTON WATER ASSOCIATION, INC.
CASE NO. 2026-00018
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

Villas Ventures - Sewer Charges	SEWER CHARGES	3,787.50
Villas Ventures - Sewer Charges	SEWER CHARGES COLLECTED	3,787.50
Villas Ventures - Sewer Charges	SEWER CHARGES	3,737.00
Villas Ventures - Sewer Charges	sewer payments	3,838.00
Villas Ventures - Sewer Charges	APRIL SEWER CHARGES	3,686.50
Villas Ventures - Sewer Charges	SEWER CHARGES	3,838.00
		15,290.00
		-7,392.00
		-22,675.00
		\$7,897.50

Witness: Jennifer Tucker

18. Provide the Audited Financial Statements for the Calendar year ended December 31, 2023.

Response:

See attached file named "18 Response to KPSC DR1 Item 18 Audit Report for 2023."