



Bronston Water Association

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June 15, 2026

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

RE: Response to Staff Report filed in Case No. 2026-00018, Electronic Filing of Bronston Water Association, Inc., for a Rate adjustment Pursuant to 807 KAR 5:076

Dear Ms. Bridwell:

Bronston Water Association, Inc., (“Bronston”) submits the following comments concerning the Commission Staff (“Staff”) Report dated June 4, 2026.

1. Removal of Employee Wages from Non-recurring Charges. 807 KAR 5:006, Section 9, and 807 KAR 5:011, Section 10(2), allows all utilities to charge a nonrecurring charge to recover all costs directly related to a non-recurring service. Nonrecurring services include, but are not limited to: service turn-on, reconnection of service, termination of service, special field visits, and meter testing. Prior to Case No. 2022-00117, Bronston’s nonrecurring charges included recovery of all costs directly associated with providing nonrecurring services in accordance with the regulation.

In Case No. 2022-00117, the Commission removed employee wages for work performed during regular working hours from the calculation of Bronston’s nonrecurring charges. This action decreased nonrecurring charges and increased general rates for water service charged to all customers for the cost of regular wages. To support its action, the Commission referenced its November 6, 2020 Order in Case No. 2020-00141 where it found that “It is unreasonable to allocate an expense already incurred as a 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 Commission’s action in Case No. 2022-00141 is not only in direct violation of the regulation, it also defeats the purpose of the regulation. The regulation states that nonrecurring charges are appropriate to avoid “increased rates to other customers to whom no benefits accrue from the service provided or action taken.” In Case No. 2022-00117, the Commission’s action increased the general service rates to be assessed to all customers and reduced the amount paid by the recipient of the nonrecurring service.

In this proceeding, Bronston requests that the Commission follow the regulation and recalculate Bronston’s nonrecurring charges to include all costs to provide the nonrecurring services so that the beneficiary of the nonrecurring service pays the entire cost incurred to provide the service. Allowing recovery of regular wages through the nonrecurring charges will not result in double recovery of regular wages since the revenue from the nonrecurring charges is removed from Bronston’s Overall Revenue Requirement to determine the Revenue Required from Water Service Rates.

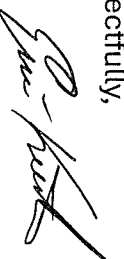
2. Miscellaneous and General Expense - Employee Benefits (Meals). Staff recommended that the cost of meals totaling \$693 provided to employees be disallowed for rate recovery. Staff stated that these meals were not directly related to Bronston’s ability to provide utility service. Bronston disagrees with Staff’s assertion. The meals are provided to employees during monthly staff meetings held primarily to prepare for the Board of Directors’ meetings. These meals are considered part of employee compensation. The cost of the meals do not result in total employee compensation that is exorbitant.

Although Bronston does not agree with Staff's adjustment to remove the cost of meals, removal of these costs does not have a material effect on the rates calculated in this proceeding. Therefore, Bronston does not object to Staff's adjustment in this proceeding but reserves its right to object to similar adjustments in future proceedings.

Bronston reserves its right to contest specific recommendations listed in the Staff Report that are not specifically addressed in this response that may again arise in future Commission proceedings. Accordingly, Bronston waives its right to request an informal conference or a hearing in this matter and requests that the case stand submitted to the Commission for decision based on the evidence of record.

Please contact our office for additional information, if needed.

Respectfully,

A handwritten signature in black ink, appearing to read "Eric Hunt". The signature is written in a cursive, flowing style.

President of the Board of Directors
Bronston Water Association, Inc.