COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING	)	CASE NO.
OF FOUNTAIN RUN WATER DISTRICT NO 1.	)	2026-00106

VERIFICATION OF: Christopher J. Veach

COMMONWEALTH OF KENTUCKY	)
	)
COUNTY OF __Monroe________	)

Christopher Veach, General Manager of Fountain Run Water District No. 1, states that he has supervised the preparation of certain responses to the Request for Information in the above-referenced case and that the matters and things set forth are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

____Christopher J. Veach________________
Christopher J. Veach

The foregoing Verification was signed, acknowledged and sworn to before this

__25th__day of August, 2026. By Christoher Veatch.

____________Barry Lee Kaufman_______________________

Commission expiration: ___June 3, 2029_____________

FOUNTAIN RUN WATER DISTRICT #1

CASE NO. 2026-00106 RESPONSE TO COMMISSION

STAFF'S INITIAL REQUEST FOR INFORMATION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

1. Provide the following information related to billing software:

    a. Brand or common name for software. **Answer: (Chris) ASYST365**

    b. State whether the software is locally installed on a utility-owned computer or is a subscription service that is internet based. **Answer: (Chris) Locally Installed but Fountain Run still pays a yearly maintenance fee and a monthly fee to have the bills printed and mailed.**

    c. If locally installed, state the installation date. **Answer**: **(Chris) 7/26/25 new computer**

    d. State whether the system is still serviced by the manufacturer and whether the utility maintains a service contract. **Answer: (Chris) The billing system is still serviced by the manufacturer, and Fountain Run does have a service contract with them. Customer Service is not good.**

2. Provide the following information related to general ledger software:

    a. State if the billing software and general ledger software are integrated. **Answer: (Chris) The billing software and the general ledger software are not integrated.**

    b. Brand or common name for software. **Answer: (Chris) Quick-books on- line**

    c. State whether the software is locally installed on a utility-owned computer or is a subscription service that is internet based. **Answer: (Chris) Internet based subscription service.**

d. If locally installed, state the installation date. **Answer: (Chris) NA**

e. State whether the system is still serviced by the manufacturer and whether the utility maintains a service contract. **Answer: (Chris) Yes, serviced by the manufacturer, no contract on file.**

3. 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 each of the years ended December 31, 2024, 2025, and year to date 2026. **Answer: (Jenna) See attached files: 3a_Gen_Ledger_2024.xls; 3a_Gen_Ledger_2025.xls ; 3a_Gen_Ledger_26.xls**

b. The trial balance in Excel spreadsheet format for the years ended December 31, 2024, 2025, and year to date 2026. **Answer: (Jenna) See attached Files: 3b_Trial_Balance_2024.xls; 3b_Trial_Balance_2025.xls; 3b_Trial_Balance_2026.xls**

c. Provide a cross reference that matches each test year general ledger account to each revenue and expense line that is reported in the Schedule of Adjusted Operations (SAO) and reconcile each amount that does not match. **Answer: (Sue) See file: 3c_SAO_Test_Year_2025**

d. Attachment 7, Attmt_7Depr_Sch_FR.pdf, The Depreciation Expense breakdown in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected. **Answer: (Jenna) See attached file: Depreciation_2025.xls**

4. Refer to the Application, 4_SAO_-With_Attachments.pdf, Current Billing Analysis 2024 Usage and Existing Rates and Proposed Billing Analysis 2024 Usage and Proposed Rate.

a. Provide each billing analysis in Excel Spreadsheet format with all formulas, rows, and columns unprotected and fully accessible. **Answer: (Sue) See attached file: 4a_Billing_Analysis_Current_Proposed.xls**

b. Describe each adjustment to the billing analysis and its justification and supporting documentation. **Answer: (Sue) The only adjustment made was for $7,835 which is the difference between the total revenue calculated by using billing data provided by the utility compared to the revenue reported in the annual report. This dollar amount represents any adjustments or changes in rates needed to match billing analysis**

c. Provide an analysis of the proposed pro forma adjustment to metered revenues. **Answer: (Sue)The proposed proforma adjustment to metered revenue was $7,835 which is explained in 4b. When the billing analysis is completed by each meter size and by rate increment, the total revenue was $350,289. The revenue in the annual report was $342,454. Therefore, the adjustment needed to match the billing analysis in total is the difference between these two or $7,835. See excel spreadsheet titled 4a_Billing_Analysis_Current_Proposed.xls for details of this calculation.**

5. Provide certificates of insurance for general liability for 2024, 2025, and 2026. Also provide the most recent invoice for general liability insurance. **Answer: (Amanda) See attached file 5KACO_Declaration_pgs_2024_2025_2026.pdf**

6. Provide the current cost of purchased water. **Answer: (Chris) $2.01/1,000 gallons**

7. Provide the minutes from Fountain Run District #1's Board of Commissioner meetings for the calendar years 2024, 2025, and 2026 to date. Consider this a continuing request through the date of issuance of Commission Staff's Report. **Answer: (Amanda) See Files: 2024_Minutes.pdf; 2025_Minutes.pdf; 2026_Minutes.pdf**

a. Designate each action that authorizes hiring. **Answer: (Chris) Each action is highlighted in yellow in the minutes.**

b. Designate each action that authorizes adjustments to wage rates and any other compensation or fringe benefit actions. **Answer: (Chris) Each action is highlighted in green in the minutes.**

8. Provide a document that lists, for each commissioner, for 2024, 2025, and current commissioners.

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 commissioner for each year. **Answer: (Chris) Commissioners are paid $100 per month. All Commissioners are compensated the same, and compensation has been the same for all 3 years. The utility does not pay health insurance or other benefits to the Commissioners. A monthly paycheck stub is attached. See file attached titled: FRWD_Commissioner_pay_stub.pdf**

b. Provide documentation from the Fiscal Court that authorizes each commissioner's appointment and compensation. **Answer: (Amanda) See attached files:**
Will Downings Commissioner Forms.pdf Owen Lamberts Commission Forms.pdf John Pedigos Commissioner Forms.pdf Jeremy Jones Commissioner Forms.pdf Frances Howards Commissioner Forms.pdf. **We do not have anything that authorizes compensation. It has been $100.00 for at least the last 15 years.**

c. Provide training records for each commissioner for 2024, 2025, and 2026 or a statement that the individual has not attended training. **Answer: (Amanda) See file: Commissioner_Training_Receipt.pdf**

9. Refer to the Application, Attachment 4, Table B, Debt Service Schedule. For each outstanding debt issuance, provide the Commission case number in which Fountain Run District #1 was authorized to issue the debt. **Answer: (Chris) 1988 Bond – Case #10425 10/27/1988, 2009 Bond – Case #2009-00201 6/1/2009**

10. Refer to Fountain Run District #1's Tariff, Original Sheet No. 10 and 11, Billings, Meter Readings, and Related Information.

a. Provide the date that Fountain Run District #1's billing cycle begins (meter read date). **Answer: (Chris) Meters are read from the 25th through the last day of the month and the readings are entered into the computer and posted on the 1st day of the month.**

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. **Answer: (Chris) 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.**

11. State the last time Fountain Run District #1 performed a cost-of-service study (COSS) to review the appropriateness of its current rates and rate design. **Answer: (Sue) In October 2018, PSC staff performed a cost-of-service study to determine rates for Fountain Run Water District #1.**

a. Explain whether Fountain Run District #1 considered filing a COSS with the current rate application and the reasoning for not filing one. **Answer: (Sue) The District considered the benefits of having a COSS prepared when contacting KRWA to assist with the current application. It was determined a COSS would provide very limited benefit to the District compared to the cost of the study.**

b. Explain whether any material changes to Fountain Run District #1 system would cause a new COSS to be prepared from the last time it completed one. **Answer: (Sue/Chris) The District has not experienced any material changes in its operations that would necessitate the preparation of a COSS.**

c. If there have been no material changes to Fountain Run District #1's system, explain when Fountain Run District #1 anticipates completing a new COSS. **Answer: (Chris) The District does not anticipate completing a COSS in the near future.**

d. Provide a copy of the most recent COSS that has been performed for Fountain Run District #1's system in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected. **Answer: (Sue/Chris) See attached file STAFF_REPORT_inc_COSS.pdf. We do not have this report in excel format. The PSC may have this report in excel format since they performed the study. We retrieved the report in PDF format from the PSC website.**

12. Refer to the Application, Current Billing Analysis 2024 Usage and Existing Rates and Proposed Billing Analysis 2024 Usage and Proposed Rates.

a. Provide the billing analysis in Excel Spreadsheet format with all formulas, rows, and columns unprotected and fully accessible. **Answer: (Sue) See answer to 4a. File attached is 4a_Billing_Analysis_Current_Proposed.xls**

b. Describe adjustments to the billing analysis and their justification. **Answer: The only adjustment made was $7,835 which is the difference between the total revenue calculated by using billing data provided by the utility compared to the revenue reported in the annual report. This dollar amount represents any adjustments or changes needed to match billing analysis to current rates.**

13. Provide the number of occurrences and dollar amounts for late fees that were recorded during the calendar years 2024, 2025, and 2026 year to date. **Answer: (Amanda) See file 2024_2025_2026_Late_Penalties**

14. Provide a schedule listing the number of occurrences for each nonrecurring charge that was recorded during the test year and the total amount recorded for each nonrecurring charge. If the revenue for any non-recurring charge was zero, include that charge and indicate that no revenue was recorded. Include the general ledger account numbers where each nonrecurring charge is recorded. **Answer: (Chris/Amanda) See file 2025_Non_Recurring_Charges.pdf**

15. Provide updated cost justification sheets to support each nonrecurring charge listed in Fountain Run District #1's tariff. See file

16. Provide updated cost justification sheets to support each Meter Connection/Tap-on Charge listed in Fountain Run District #1's tariff. **Answer: (Chris) See file 5/8_x_3_Qtr_avg_mtr_cost**

17. Refer to the Application Schedule of Adjusted Operations. Provide an itemization of the Other Water Revenues of $9,951. Include in the response whether each individual component will recur. **Answer: (Jenna) Other Water Revenues consist of: Late Penalties $9,031; Tap fees $720; Reconnect fees $200 for a total of $9,951.**

18. Provide the following information regarding the proposed rate case expense.

a. Provide a copy of the quote or invoice for the preparation of the rate case. **Answer: (Chris) See file titled Quote_KRWA**

b. State whether the amount in the SAO is a fixed amount or what would cause the stated amount to increase or decrease, respectively.

Answer: (Sue) The amount is fixed. Factors that could cause the amount to change are any additional work that may occur during the process outside the scope of the agreement with KRWA.

c. State the date the quoted amount is payable by Fountain Run District

Answer: (Sue) Amount is due upon conclusion of the project when the revised tariff sheets are accepted by the PSC. d. Explain whether the anticipated rate case expense will be paid for by Fountain Run Water District #1

d. Explain whether the anticipated rate case expense will be paid for by Fountain Run District #1 and not paid for by a third party, i.e. grant funding. **Answer: (Sue)The rate case expense will be paid by Fountain Run Water District #1.**

e. Consider this an ongoing request. Provide all invoices related to actual rate case expenses. **Answer: (Sue) Will be done as they are created.**

19. Refer to the Application, Attachment 12, Attmt_12_2025_Rate_Study_FR.xlsx, Wages and Benefits tab, Salaries and Wages and Associated Adjustments Table, Row 8 and Column G.

a. Refer to Row 8, confirm Employee number 3, Operator, is part time. **Answer, confirmed yes this employee is part-time. 25 hours per week.**

b. Refer to column G, confirm the pro forma wage rate is the current wage rates paid to employees, if not, provide the current wage rate. **Answer: (Chris/Sue) New hourly rates since study was complete. Current Wage rate: General Manager $23.46; Office Manager $18.82; Part Time Operator $20.63. The part-time Operator will retire in November 2026. He will be replaced by full time Operator approved at July board meeting. He started August 3.**

20. Explain if Fountain Run District #1 uses outside contractors to perform the necessary functions of the utility. If so, identify the contractor. **Answer: (Sue) Fountain**

Run Water District #1 uses the services of a CPA firm for some of its accounting purposes. The name of the firm is Campbell, Myers and Rutledge PLLC.

Service List for 2026-00106

* Chris Veach
Fountain Run Water District #1
226 Main Street
P.O. Box 118
Fountain Run, KY 42133

* Fountain Run Water District #1
226 Main Street
P.O. Box 118
Fountain Run, KY 42133

* Sue Purdy
Fountain Run Water District #1
226 Main Street
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* Denotes served by Email