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 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 second 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.

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Christopher Veach

The foregoing Verification was signed, acknowledged and sworn to before this ____day of September, 2026.

____

Commission expiration: ________________

FOUNTAIN RUN WATER DISTRICT NO. 1

CASE NO. 2026-00106 RESPONSE TO COMMISSION

STAFF'S SECOND REQUEST FOR INFORMATION

1. Confirm that each of the commissioners completed 12 hours of training within 12 months of their initial appointment as required by KRS 74.020(8)(a)–(b). If: training was completed, for each commissioner, provide the specific date(s) of attendance, location of the program and any records documenting their attendance. **Response: Frances Howard and Owen Lambert both completed 12 hours of training within 12 months of their initial appointments. John Pedigo, Will Downing, and Jeremy Jones did not complete 12 hours of training within 12 months of their initial appointments, but they have completed 12 hours since.**

Frances Howard completed her training on August 13-14, 2013, at Lake Cumberland State Resort Park in Jamestown, KY. I have provided an affidavit as we were unable to obtain a certificate for her. The other four commissioners all attended the PSC training on the 18-19,2026 at the Marriot in Owensboro, KY. We have not received their certificates yet. The order for them is 2026-00243. I have provided receipts. Any further questions should be directed to Jamie Wilson, Water Commissioner Training Coordinator at the PSC.

Witness: C. Veach

2. Refer to Fountain Run District #1's response to Commission Staff's First Request for Information (Staff's First Request), 20260825_PSC_ORDER_Response.pdf, Item 19b. Provide the wage rate for the full-time operator that started August 3. **The wage rate for the full-time operator that started August 3 is $17.00 per hour.**

Witness: C. Veach

3. Refer to the Application, Attachment 4, SAO, Adjustment F, Table A

Depreciation Expense Adjustments, Meters.

a. Provide an explanation for the proposed twenty-year service life for meters. Include in this explanation any engineering reports, testing reports, or technical specifications that support the proposed twenty-year service life for each meter model and brand. **Response: The proposed 20-year service life for meters is for the AMR meters. See attached documents titled Resp_3a_Data_Sheet_2200.pdf and Resp_3a_AMI_Tech_Specs.docx**

Witness: C Veach

b. Confirm that each meter proposed for twenty-year service life is a radio-read or Automated Meter Reading (AMR) meter. If not confirmed, explain the response. **Response: Confirmed 20 year service life is for Automated Meter Reading (AMR) meters.** **Witness: C. Veach**

4. Refer to Application, Attachment 4, SAO, Adjustment D. Also refer to Fountain Run District #1's response to Staff's First Request, Item 3a, 3a_Gen_Ledger_2025.xlsx, Cells G1364, G1380, G3615, G4424. In the Application, Fountain Run District #1 proposed the adjustment to remove the labor and material expenses for the two chicken house meters.

a. Confirm the two chicken house meters are the only new meters installed during the test year. **Response: Yes, confirming these are the only two new meters installed during the test year.**

b. The general ledger reports that the costs were already removed from the expenses and capitalized. Provide and explanation for the proposed additional adjustment. **Response: The proposed additional adjustment should not have been made. This was an error. This entry has been removed. Please see revised file titled Attmt_12_2025_Rate_Study_FR_Revised**

Witness: C. Veach

5. Refer to Fountain Run District #1's response to Staff's First Request, Item

4. Also refer to Fountain Run District #1's Annual Report for year 2025.

a. In Fountain Run District #1's Current Billing Analysis states that 40,475,600 gallons were sold, while the 2025 Annual Report reports 41,262,000 gallons sold which results in a difference of 786,400 gallons. Reconcile and explain the difference. **Response: The Billing Analysis is developed using a computer generated Consumption Analysis Report by county, meter size and rate tier. This report does not include Monroe County Water District wholesale sales. It also does not include various billing adjustments such as meter misreads, leak adjustments and other billing mistakes. These items are all included in the consumption reported in the annual report which would account for the difference.** **Witness: C. Veach**

b. In Fountain Run District #1's Current Billing Analysis states that total Sales Revenue is $350,289, while the 2025 Annual Report reports Total Metered Sales Revenue of $337,732 which results in a difference of $12,557. Reconcile and explain the difference. **Response:**

Metered Sales = $337,732 + Sales for resale (Monroe Cty) $4,772 = $342,454 as reported in Annual report. The remaining difference of $7,835 includes water leak adjustments of $5,966. The remainder is considered immaterial.

Witness: C. Veach

6. Refer to Fountain Run District #1's response to Staff's First Request, Item 8c, Commissioner_Training_Receipt.pdf. Fountain Run District #1 did not provide a training receipt for Frances Howard. Provide the most recent training record for Frances Howard.

Response: Frances Howard completed her training on August 13-14, 2013, at Lake Cumberland State Resort Park in Jamestown, KY. I have provided an affidavit as we were unable to obtain a certificate for her.. See file titled Frances_Howard_Training.pdf Witness: C. Veach

7. Refer to Fountain Run District #1's response to Staff's First Request, Item 15, 15_non-recurring_charges_cost_justification.pdf.

a. Provide an updated cost justification sheet for the Meter Test nonrecurring charge that contains the amounts that produce the $10 Total Clerical and Office Expense amount.

Response: See File titled Resp_7a_Metertest.pdf

b. Provide an updated cost justification sheet for the Service Call/Investigation nonrecurring charge that correctly calculates the Total Nonrecurring Charge Expense amount. **Response: See file titled Resp_7b_costjust.pdf**

Witness: C. Veach

8. Refer to Fountain Run District #1's response to Staff's First Request, Item 16, 5_eighths_x_3_qtr_avg_mtr_conn_cost_just.pdf. Fountain Run District #1 incorrectly calculated the Average Installation Equipment Expense amount by dividing the total cost by two instead of three. Provide updated cost justification sheets that correctly calculate the Meter Connection/Tap-on Charge. **Response: See File titled Resp_8_Avg_Mtr_Conn_Cost_Just.pdf**

Witness: C. Veach

9. Refer to Fountain Run District #1's response to Staff's First Request, Item 15, 2025_Non_Recurring_Charges.pdf. Also refer to Fountain Run District #1's response to Staff's First Request, Item 17.

a. Explain why the dollar amount of Late Penalties included in Other Water Revenues does not match the amount collected for the year 2025. **Response: (Amanda)While figuring out the occurrences of the late charges, we made a mistake and added them up wrong. After looking at the payment credit recap, it says 9,031.**

b. Explain where the revenue collected from the Return Checks and the Meter Relocation nonrecurring charge is reported. **Response: (Amanda) The return checks are reported through bad water debt and the meter relocation is listed under repairs and maintenance.**

Witness: C. Veach