COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING	)	CASE NO.
OF CHRISTIAN COUNTY WATER DISTRICT	)	2026-00210

VERIFICATION OF HEATH HOWELL

COMMONWEALTH OF KENTUCKY	)
	)
COUNTY OF CHRISTIAN	)

Heath Howell, General Manager of Christian County Water District, states that he has overseen 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.

Heath Howell

Heath Howell

The foregoing Verification was signed, acknowledged and sworn to before this 9th day of September, 2026. By Heath Howell.

Haley Harris

HALEY NICOLE HARRIS
NOTARY PUBLIC
Commonwealth of Kentucky
Commission # KYNP94292
My Commission Expires 11/15/2028

Commission expiration: 11/15/2028

CHRISTIAN COUNTY WATER DISTRICT
CASE NO. 2026-00210 RESPONSE TO COMMISSION
STAFF'S INITIAL REQUEST FOR INFORMATION

1. Refer to Application, Exhibit 1, Table E, Current Billing Analysis with 2025 Usage & Existing Rates (Existing Billing Analysis). Explain the adjustments of $(45,725.74) to the Existing Billing Analysis also shown on Attachment_2_Rate_Study_Christian_Cty_test_year_2025, tab Existing Billing Analysis and its justification and supporting documentation. **RESPONSE: This refers to water billing adjustments for 2025. See supporting documentation in file titled Q1_Trans_Hist_Rep_Adj_2025.pdf.**

Witness: H. Howell

2. Refer to the Application, exhibit 1, Schedule of Adjusted Operation (SAO), Purchased Water Expense. For any calculations requested below, provide the response in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

a. Confirm that Christian District still purchases water from Barkley Lake District. **Response: Yes. We confirm that Christian County Water District still purchases water from Barkley Lake Water District. Witness: H. Howell**

b. Provide purchased water gallons and dollars for each supplier for 2025. **Response: See excel file Response_2_b_c.xls for numbers below.**

HWEA: Gallons 468,735.600; $1,088,937.59

Barkley: Gallons 64,549,200; $181,926.18

Todd: Gallons: 1,494,400; $5,614.47

Total: Gallons: 534,779,200; $1,276,478.24 **Witness: H. Howell**

c. Calculate the effect of each 2025 purchased water adjustment that is not included in the test year amount (i.e. purchase from Hopkinsville Water Environment Authority {HWEA} for January 1, 2025, through September 30, 2025). **Response: See File titled Response_2_b_c.xls. Witness: H. Howell**

d. Calculate the full year effect of the 2026 purchased water increase from HWEA that will be effective October 1, 2026. **Response: Full year effect = $215,619. See cell F25 in tab SAO; reference calculation in tab titled Water Loss in File titled Rate_Study_Christian_Cty_test_year_2025_revised.xls Witness: H. Howell**

e. State whether the amount calculated in "d" above is included in the submitted pro forma revenue amount of $4,415,045. **Response: No, this amount is not included in the submitted proforma revenue amount of $4,415,045. Witness: H. Howell**

3. Refer to Application, Exhibit 2: KRWA Workpaper Excel File in Support, SAO tab. The Revenue Requirement formula in cell "H57" does not deduct Sales for Resale revenue in determining the Revenue Required from Sales of Water. Explain why Sales of Resale revenue was excluded from the Revenue Requirement formula. **Response: This was an error in the formula. The formula has been corrected in the attached file titled Rate_Study_Christian_Cty_test_year_2025_revised.xls. This did result in a different suggested required revenue increase/(decrease) and percent increase/(decrease). See attached file with revised revenue requirement from sale of water of ($40,072) or (.90%). Witness: H. Howell**

4. Refer to Application, Exhibit 1, SAO and also refer to Application, Exhibit 2: KRWA Workpaper Excel File in Support, Wages tab, and medical tab. The SAO does not reflect test year expenses for Employee Pension and Benefits; however, the rate study work papers include amounts associated with employee pension and medical benefits

costs. Explain why the applicable test year Employee and Pension benefit expenses were omitted from the SAO. Provide a revised SAO that includes the appropriate test year balances and any related adjustments. **Response: These expenses were not omitted in the test year in the original file. The expenses for Employee Pension and Benefits of $60,463 were reflected in cell D38 in the original SAO file submitted. They are reflected in cell D36 in the revised file attached. The expenses for the proforma year have been moved down to that area to better coordinate with this expense and are more visible in the revised file submitted. See file titled Rate_Study_Christian_Cty_test_year_2025_revised.xls. The expenses have been moved to cell F37 and F38. The trial balance is also attached to show the expenses that equal the 2025 Payroll Taxes and Fringe Benefits and the expenses have been highlighted in green for your review. The account numbers are 00604-0010; 00604-0020; 00605-0000;00607-0000;00408-0012= $60,463. Witness: H. Howell**

5. Refer to Application, Exhibit 1, KRWA Report, SAO. Provide a Depreciation Schedule that reflects each item which, when reconciled, resulted in SAO Depreciation of $717,751. Include any applicable adjustments for NARUC depreciation lives for each of the items. **Response: See File titled 2025_2026_Depreciation.pdf. Scroll to page 57 of 76 to see total Depreciation $717,751.55. Witness: H. Howell**

6. Refer to Application, Exhibit 2: KRWA Workpaper Excel File in Support, Depreciation tab. Provide an explanation for the proposed 15-year service life for water meters. Include in this explanation, any engineering reports, testing reports, or technical specifications that support the proposed 15-year service life. **Response: Christian County Water District has traditionally used a 15-year service life for water meters**

dating back to the mid 2000's. This is based on a combination of the manufacturer Badger's warranty, expected repaired meter life of 15 years, and also based on the industry standard of 12-15 years economical useful life for water meters. Christian County Water District has used Badger Recordall meters over the last couple of decades and recently transitioned to Ultrasonic Badger and Neptune. Originally the warranty was and still is, 10-year full and 20-year pro-rated. So, 20 years total with the last 10 years being pro-rated, results in 15-years being a reasonable depreciable life, especially compared to the current industry standard. Witness: H. Howell

7. Provide a revised SAO and Revenue Requirement file in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible that reflects any adjustments or corrections identified above. **Response: See file titled: Rate_Study_Christian_Cty_test_year_2025_revised.xls. Witness: H. Howell**