COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|---|---|---|
| ALTERNATIVE RATE ADJUSTMENT FILING OF SOUTH EASTERN WATER ASSOCIATION, INC. | ) ) | CASE NO. 2026-00223 |

## VERIFICATION OF MORRIS VAUGHN

COMMONWEALTH OF KENTUCKY )
)
COUNTY OF Pulaski )

Morris Vaughn, General Manager of South Eastern Water Association, Inc, 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.

Morris Vaughn

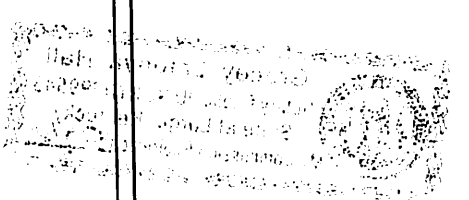
The foregoing Verification was signed, acknowledged and sworn to before this 3rd day of November 2026. By Morris Vaughn.

Gracey Hall

Gracey Latonya Hall
Notary Public, ID No.KYNP99543
State at Large, Kentucky
My Commission Expires on 5/2/29

Commission expiration: 5/2/29

SOUTH EASTERN WATER ASSOCIATION, INC.



CASE NO. 2026-00233 RESPONSE TO COMMISSION
STAFF'S INITIAL REQUEST FOR INFORMATION

1. Provide the following information related to billing software:

a. Brand or common name for software.

**Response: Alliance G5 UPM**

**Witness: Morris Vaughn**

b. State whether the software is locally installed on a utility-owned computer or is a subscription service that is internet based.

**Response: Alliance is hosted in a secure cloud platform by United Systems & Software, Inc. The infrastructure runs in Microsoft Azure and is not hosted locally at the customer site.**

**Witness: Morris Vaughn**

c. If locally installed, state the installation date.

**Response: N/A**

**Witness: Morris Vaughn**

d. State whether the system is still serviced by the manufacturer and whether the utility maintains a service contract.

**Response: The utility does not maintain a service contract for the software to be serviced by the manufacturer.**

**Witness: Morris Vaughn**

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

a. State if the billing software and general ledger software are integrated.

**Response: The utility does not utilize the General Ledger software provided by the manufacturer, United Systems & Software, Inc., so they are not integrated.**

**Witness: Morris Vaughn**

b. Brand or common name for software.

**Response: Sage 100**

**Witness: Morris Vaughn**

c. State whether the software is locally installed on a utility-owned computer or is a subscription service that is internet based.

**Response: Subscription service that is internet based.**

**Witness: Morris Vaughn**

d. If locally installed, state the installation date.

**Response: N/A**

**Witness: Morris Vaughn**

e. State whether the system is still serviced by the manufacturer and whether the utility maintains a service contract.

**Response: Hardware is under manufacturer's warranty, hardware and software maintained under contract with local IT service.**

**Witness: Morris Vaughn**

3. Refer to the Schedule of Adjusted Operations (SAO), Revenue Requirements Calculation, SAO Adjustment References. 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, 2025, and year-to-date 2026.

**Response: See the attached files titled:**

**3_a_GL_DetailReport_2025.xls**
**3_a_GL_YTD_2026_DetailReport.xls**

**Witness: Morris Vaughn**

b. The trial balance in Excel spreadsheet format for the years ended December 31, 2025, and year-to-date 2026.

**Response: See the attached files titled:**
**3_b_TrialBalance_2025.xlsx**
**3_b_TrialBalance_YTD_2026.xlsx**

**Witness: Morris Vaughn**

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 and reconcile each amount that does not match.

**Response: Two audit adjustments were made for the Materials and supplies account in the amounts of $731 and $9,032. See the attached files titled:**
**3_c_PSC_UTILITY_EXPENSE_ACCOUNTS.xlsx**
**14_a_2025_depr_exp_audit_adj.pdf**

**Witness: Morris Vaughn**

4. Refer to the Application, Attachment 4, SAO, provide an itemization of the Other Water Revenues, stated as $406,372 and state whether each item is a recurring revenue.

**Response: Other Water Revenues totaling $406,372 consist of membership fees, sales tax collected, utility tax collected, service charges, meter set fees, reconnect fees, and customer bad debts collected (agrees to GL detail attached in response to item 3. a). All are recurring revenue items.**

**Witness: Morris Vaughn**

5. Using a table format, provide an Excel spreadsheet with all formulas, rows, and columns fully accessible and unprotected which contains a list of each position within the utility (Position 1, Position 2, etc.), including job titles, pay rates, total wages paid, and

total FICA cost for each employee for the test year. Include the date the employee was hired and, if applicable, the employee's termination date. If a position is recently vacated but the intent is to fill it, note the vacancy and the amount of time that it has been vacant. Employee names should be redacted from all documents. In addition, provide the following:

**Response: See the attached file titled, 5_SEWA_Staff.xlsx.**
**While preparing responses to this request for information it was discovered that Board Members compensation was included in the calculation of FICA taxes for the application. The Association pays no FICA taxes for Board members compensation. Refer to the application attachment 12, excel file titled, Attachment_12_SEWA_Rate_Study.xlsx, wages tab.**

**Witness: Morris Vaughn**

a. Calculations, by employee, that support pro forma wages of $696,411. This may be provided as a separate table or combined with the table above. If a position is recently vacated but the intent is to fill it, note the vacancy and the amount of time that it has been vacant.

**Response: See the attached file titled, 5_a_salary_&_Wages_2025.xlsx**

**Witness: Morris Vaughn**

b. A summary of overtime hours worked and costs that were due to vacant positions and thus will be eliminated when the vacant positions are filled.

**Response: The Association has experienced three recent vacancies. Two new replacement hires have occurred. The remaining vacant position will be filled. No additional overtime hours are anticipated due to this turnover. See the attached file titled, 5_SEWA_Staff.xlsx**

**Witness: Morris Vaughn**

c. Refer to the Application, Attachment_12_SEWA_Rate Study.xlsx, Wages Tab, Rows 16 and 17. Provide the date that employees 12 and 13 became eligible

to contribute to the pension plan(s). If not yet eligible, provide the date they will be eligible to contribute.

**Response: Employees 12 and 13 have recently left the utility. Employees must be with the utility for three years to be eligible to participate in the pension plan. These two employees were not eligible. See the attached file titled, 5_SEWA_Staff.xlsx.**

**Witness: Morris Vaughn**

6. Provide a complete description of each employee benefit, paid to or on behalf of each employee for the calendar year 2025. Supplemental coverage for which the employee pays 100 percent of the cost should also be included. Employee names should be redacted from all documents.

a. Provide a copy of one invoice for 2025 for each employee benefit described above.

**Response: See the attached files titled, 6_a_insurance_invoice.pdf**

**Witness: Morris Vaughn**

b. State whether there were any significant changes to any benefit coverage described above subsequent to the test year.

**Response: No significant changes.**

**Witness: Morris Vaughn**

c. Provide a copy of the most recent invoice for each employee benefit described above.

**Response: See the attached file titled, 6_c_Oct_2026_Ins_Invoice.pdf**

**Witness: Morris Vaughn**

7. Provide certificates of insurance and most recent invoices for general liability, workers' compensation, automobiles, property, and casualty for 2025 and 2026.

**Response: See the attached files titled, 7_Insurance_certificates.pdf**

**Witness: Morris Vaughn**

8. Provide the current per gallon price for purchased water.

**Response: The price per gallon for purchased water is $0.0028**

**Witness: Morris Vaughn**

9. Refer to the Application, Attachment 4, Debt Service Schedule. For each outstanding debt issuance, provide the Commission case number in which South Eastern Water was authorized to issue the debt or explain why such authorization was not required.

**Response: The requested information is presented in the table below.**

| Debt Issuance | Case No. | Date of Order |
|---|---|---|
| KRWFC 2015-C | 2015-00002 | 1/14/2015 |
| KIA B26-002 | 2025-00375 | 1/29/2026 |
| USDA 91-22 | 2004-00312 | 9/8/2004 |
| USDA 91-24 | 2006-00371 | 8/29/2006 |
| USDA 91-26 | 2010-00470 | 12/27/2010 |
| USDA 91-28 | 2020-00049 | 3/16/2020 |
| USDA 91-30 | 2020-00049 | 3/16/2020 |
| USDA 91-32 | 2023-00353 | 11/30/2023 |

**Witness: Morris Vaughn**

10. Refer to the Application, Attachment_12_SEWA_Rate Study.xlsx, Water Loss Tab.

a. Explain why South Eastern Water proposed using the 2025 Water Loss Reports for the application instead of using the 2025 Annual Report.

**Response: The PSC inspection report dated August 31, 2026 noted a discrepancy between the water loss reports and the 2025 Annual Report. South Eastern Water**

**reviewed the records and determined a mathematical error was made in the information submitted to the Association's accountant during the preparation of the 2025 Annual Report. The Water Loss Reports are believed to present the more accurate representation of the utility's water loss.**

**Witness: Morris Vaughn**

b. Explain why the 2025 Water Loss Reports do not match the 2025 Annual Report.

**Response: See the attached file titled, 10_b_SEWA_inspection_response.pdf**

**Witness: Morris Vaughn**

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

**Response: See the attached file titled, 11_Board_Meeting_Minutes.pdf**

**Witness: Morris Vaughn**

a. Designate each action that authorizes hiring.

**Response:**

- **The Minutes of May 9, 2024 indicate that the Field Crew Forman resigned.**
- **The Minutes of July 11, 2024 indicate that a current employee was promoted to Field Crew Foreman and given a $1.00/hour raise.**
- **The Minutes of January 23, 2025 indicate that a new employee was hired at $78,000/year + benefits.**
- **The Minutes of March 12, 2026 indicate that two new employees were hired. The Board created these positions in its February 12, 2026 meeting.**
- **The Minutes of June 11, 2026 indicate that a committee was formed for the purpose of succession-planning for the current manager's retirement. No one was hired and no salary set, but a search for a candidate began.**

- **The Minutes of August 13, 2026 indicate that the Board expanded the authority of the succession-planning committee to enable it to present applicants for management positions.**

**Witness: Morris Vaughn**

b. Designate each action that authorizes adjustments to wage rates and any other compensation or fringe benefit actions.

**Response: The Following Board actions authorize changes in wages and other compensation:**

- **The Minutes of November 14, 2024 indicate that the Board approved raising the current hourly rate of two (2) field employees to $20.00/hour and a 10% raise to all other employees.**
- **The Minutes of April 10, 2025 indicate that a new pension plan was approved.**
- **The Minutes of June 12, 2025 indicate that the Board discussed a one-time incentive bonus for employees passing a water distribution operator's licensing exam. No decision was made, only discussion.**
- **The Minutes of July 10, 2025 indicate the Board approved a $500 bonus for employees who pass a licensing exam and a $1.00/hour raise for those employees.**
- **The Minutes of July 10, 2025 also indicate that the Board approved doubling the stipend of their Recorder to $200 per meeting. NOTE: *The expense of compensating the Recorder is found in Account 5130 of the General Ledger "Legal and Professional Services Expense."***
- **The Minutes of November 13, 2025 indicate that the Board approved allowing employees to "cash-in" unused vacation days.**
- **The Minutes of December 11, 2025 indicate that the Board approved: (1) a $2.00/hour raise for office staff; (2) a $2.00/hour raise for the two newest field staff members as well as a onetime 6% raise for those employees; and (3) a 6% raise for all other employees effective January 1, 2026.**
- **The Minutes of June 11, 2026 indicate that the Board approved paying milage to those employees who used their personal vehicles for Association service calls when no Association-owned trucks were available.**

**Witness: Morris Vaughn**

12. Provide a document listing the name of each member of the Board for each of the calendar years 2024, 2025, and 2026 and state, individually, the total amount of each benefit paid to, or on the behalf of, each director during each year (i.e., wages,

health insurance premiums, life insurance premiums, FICA taxes, etc.), their term (beginning and ending), and current authorized annual compensation.

**Response: The requested information concerning payments to Directors appears below. Please note that the Secretary/Treasurer of the Board of Directors, Mark Davis, does not accept compensation for his service on the Board. However, he is eligible to receive the same compensation as any other Borad member (otherwise known as "Directors"). He simply chooses not to accept it. Board members are paid $500 per Association meeting. The Association pays no FICA taxes for Board members, nor does it pay life or health insurance premiums for Board members. Board members are elected by the Association's membership (its customers) each year at the Annual Meeting in April. The Board is composed of 5-8 Directors, as decided by the current Board by October 1 of each year. Directors serve four-year terms.**

**While preparing responses to this request for information it was discovered that Board Members compensation was included in the calculation of FICA taxes for the application. Refer to the application attachment 12, excel file titled, Attachment_12_SEWA_Rate_Study.xlsx, wages tab.**

| Name of Director | 2024 | 2025 | 2026 to date |
|---|---|---|---|
| Bobby Crow | $6,000 | $6,000 | $5,000 |
| Dennis Faulkner | $6,000 | $6,000 | $5,000 |
| Dwight Faulkner | $6,000 | $6,000 | $5,000 |
| Grant Treado | $6,000 | $6,000 | $5,000 |
| Joe Crawford | $6,000 | $6,000 | $5,000 |
| Wade Bumgardner | $6,000 | $6,000 | $5,000 |
| Mark Davis | $0.00 | $0.00 | $0.00 |
| Ernest Stout | $4,000 Mr. Stout passed away in August 2024 | | |

**Witness: Morris Vaughn**

a. Provide documentation from the authority responsible that

authorizes each Board member appointment, term of appointment, and compensation. For any appointment or compensation authorized by the fiscal court, provide the applicable fiscal court meeting minutes or other official record reflecting the action.

**Response: Unlike Water District Commissioners, the Directors of a Water Association are not appointed by the county fiscal court. They are elected by members of the Association, typically, at an annual membership meeting. The Minutes of the 2024, 2025, and 2026 annual Membership Meetings are included in the attached file, titled 11_Board_meeting_Minutes.pdf. The current Bylaws of South Eastern Water Association are attached, see the file titled, 12_SEWA_Bylaws.pdf. Each Board member is eligible to be compensated $500 for each South Eastern Water Board meeting they attend.[1] Historically, some Board members have chosen not to accept compensation.**

**Witness: Morris Vaughn**

b. Provide training records for each board member for 2024, 2025, and 2026 or a statement that the individual has not attended training.

**Response: Unlike Water District Commissioners, the members of a Water Association's Board of Directors are not required to attend yearly training, nor are their salaries set by statute. Water Associations that are created pursuant to KRS Chapter 273 as not-for-profit corporations are not subject to the provisions of KRS Chapter 74, except that pursuant to KRS 74.420 to 74.520, Water Associations may be members of Water Commissions. Pursuant to KRS 74.510 a Water Commission is not a public utility.**

**KRS 278.012 provides that Water Associations are public utilities subject to the Commission's jurisdiction. However, there is no provision of KRS Chapter 278 that requires members of the Boards of Directors of Water Associations to attend any particular training. The conduct of Water Association Directors is governed by KRS Chapter 273. Specifically, KRS 273.215 requires that directors of all nonprofit corporations discharge their duties in good faith, on an informed basis, and in a manner the director honestly believes is in the best interest of the corporation.**

**Because the Board of Directors of South Eastern Water Association believes it is in the best interest of the Association to be directed by knowledgeable directors, members of the Board often attend trainings conducted by the Kentucky Rural Water Association.**

---

[1] *See Electronic Application of South Eastern Water Association, Inc. for a Rate Adjustment Pursuant to 807 KAR 5:076,* Case No. 2021-00126, Response to Staff's First Request, Item 1i (filed Apr. 19, 2021). The $500 per meeting compensation has been in place **many** years and was in place at the time of the Association's last rate case.

**Witness: Morris Vaughn**

13. Refer to the Application, Attachment 4, SAO, Adjustment H, References.

Provide the following information regarding the proposed rate case expense.

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

**Response: The amount of estimated rate case expense listed in Adjustment H in the SAO includes only the expense of employing a KRWA consultant to assist with the Application. At the time it filed its Application in this proceeding, South Eastern Water anticipated this would be the only expense associated with this proceeding. However, it was necessary for the Association to obtain counsel when a request for intervention was filed.**

**Counsel has been retained to assist as needed during the pendency of this proceeding. For this reason, the Association now estimates it's total rate case expenses will be approximately $30,000, amortized over three years at $10,000 per year. This is an estimate only and may increase or decrease depending on actual events occurring in this proceeding. The number and complexity of Information Requests, necessary meetings with South Eastern Water and a formal hearing are all elements associated with rate case proceedings, and they will impact the actual rate case expenses incurred by the Association.**

**The KRWA proposed cost quote is for the services stated in the agreement between the Association and KRWA, "not to exceed total" of $9,335. Additional work, as described above, may increase the cost.**

**Witness: Morris Vaughn**

b. State the date the quoted amount is payable by South Eastern Water.

**Response: KRWA will issue quarterly bills for the project, a final invoice will be issued once the project is completed. The project will be completed when stamped effective revised tariffs are issued by the PSC.**

**Stoll Keenon Ogden, PLLC, the Association's legal counsel, provides the Association with an invoice each month for work performed related to this proceeding.**

**Witness: Morris Vaughn**

c. Confirm that the anticipated rate case expense will be paid for by South Eastern Water and not paid for by a third party, i.e. grant fund. If not confirmed, explain the response.

**Response: Confirmed. South Eastern Water is paying its rate case expenses without contribution or assistance from any third-party or the use of grant funds.**

**Witness: Morris Vaughn**

d. Provide a copy of the invoice or a signed quote used to justify the proposed $9,335 total rate case amount.

**Response: See the attached files titled, 13_d_KRWA_Proposed_Rate_Study-Signed.pdf**

**Stoll Keenon Ogden, PLLC, the Association's legal counsel did not submit a price quote for services associated with the rate case but based its estimate for legal services on its experience in similar proceedings. South Eastern Water can provide the Commission with rate case expense updates by filing updates into the record of this proceeding according to a schedule determined by the Commission.**

**Witness: Morris Vaughn**

14. Refer to the Application, Attachment 4, Table A, Depreciation Expense Adjustments table. Also refer to South Eastern Water's 2025 Annual Report, page 20. The Depreciation Table reports 2025 PSC Annual Report Depreciation is $1,393,391 and a test-year amount of $1,391,535. South Eastern Water explained the $1,856 difference between the two items was due to adjustments made after December 31, 2025.

a. Provide a list of the post test year adjustments that explains the Difference.

**Response: See the attached file titled, 14_a_2025_depr_exp_audit_adj.pdf**

**Witness: Morris Vaughn**

b. In the 2025 Annual Report, South Eastern Water reported Depreciation Expense of $1,429,697. Explain and reconcile where and how South Eastern Water determined $1,393,391 as the PSC Annual Report amount.

**Response: Depreciation expense was adjusted by the auditor for the year ended 12/31/2025. The change occurred due to the sale of the old utility building. The sale occurred on 12/31/24. There were numerous items of fixed assets and improvements that needed to be removed from the fixed asset schedule. That could not be accomplished until the complete listing of the assets was obtained from the realtor. The 2025 Annual Report was amended to reflect the audit adjustments after this application was prepared.**

**Witness: Morris Vaughn**

15. Provide the following with respect to new tap installations.

a. Number of installations during the test year.

**Response: 96 5/8 X ¾" meters**
**2 1" meters**

**Witness: Morris Vaughn**

b. State whether labor costs were capitalized and, if so, provide the total amount and designate the line in the fixed assets listing that reflects the capitalization.

**Response: Costs were capitalized.**

| | | | |
|---|---|---|---|
| 5/8 Inch | 96 | $ 1,665.00 | $159,840.00 |
| 1 Inch | 2 | $ 1,920.00 | $ 3,840.00 |
| New Meter Fees Collected | | $163,680.00 | |

**Witness: Morris Vaughn**

c. State whether material costs were capitalized and, if so, provide the total amount and designate the line in the fixed assets listing that reflects the capitalization.

**Response: Costs were capitalized.**

**Witness: Morris Vaughn**

16. Provide the date that South Eastern Water's billing cycle begins (meter read date).

**Response: SEWA reads its meters monthly on the first of the month of the billing cycle.**

**Witness: Morris Vaughn**

17. 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: Yes, SEWA requested the PSC, in the cover letter of this application, grant an effective date on the first of the month of the next billing cycle from when the rates are approved.**

**Witness: Morris Vaughn**

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

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

**Response: The Association considered the benefits of performing a COSS when contracting with KRWA to assist with current application. The Association does not believe the additional time and expense of performing a COSS would provide a benefit to the Association and the current application.**

**Witness: Morris Vaughn**

b. Explain whether any material changes to South Eastern Water's

system would cause a new COSS to be prepared since the last time it completed one.

**Response: The Association has not experienced material changes to its operations that would necessitate the preparation of a COSS.**

**Witness: Morris Vaughn**

c. If there have been no material changes to South Eastern Water's system, explain when South Eastern Water anticipates completing a new COSS.

**Response: The Association does not anticipate needing to complete a COSS, in the near future.**

**Witness: Morris Vaughn**

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

**Response: The current staff has no knowledge of a COSS being performed for the system.**

**Witness: Morris Vaughn**

19. Provide the number of occurrences and dollar amounts for late fees that were recorded during the test year.

**Response: See the attached file titled, 19_Code_Summary_Report.pdf**

**Witness: Morris Vaughn**

20. 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 nonrecurring 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.

**Response: See the attached file titled, 20_NRC_occurrences.pdf**

**Witness: Morris Vaughn**

21. Provide updated cost justification sheets to support each nonrecurring charge listed in South Eastern Water's tariff.

**Response: The only component of three (3) of the Association's nonrecurring charges is transportation. Those charges are the Meter Test Request Charge, Reconnection Charge, and the Service Call Charge. The attached file titled, 21_a_NRC_Cost_Justification.pdf, sets forth the calculation of this charge and contains maps to representative customer addresses in the northern and southeastern regions and documentation of the July 2026 IRS Milage Rate. In calculating this charge, the Association used the milage from its office to a representative customer address in the northern region of its service area. The Association has customers in the southeastern region of its service area that are farther away from the Association's office, but the address in the northern region was used because it represents a more typical distance from the Association's office to a customer address.**

**The calculation of the After Hours Service Call is set forth in attached file titled, 21_b_After_Hours_Service_Call.pdf. This charge is composed of transportation costs and the cost of after-hours labor. The average hourly pay rate for field staff was used in the calculation, and two (2) hours of labor was assumed. Given the Association's large service territory travel to and from a customer's residence is often time-consuming.**

**The calculation of the Returned Payment Charge and the documentation of the fees the Association is charged by its payment processors appear in the attached file titled, 21_c_Returned_Payment_Charge.pdf.**

**Witness: Morris Vaughn**

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

**Response: See the attached file titled, 22_Tap_Fee_Cost_Justifiction.pdf**

**Witness: Morris Vaughn**

23. Refer to the Application, Attachment_12_SEWA_Rate Study.xlsx, Revenue Requirement Tab, Cells G10 and G25. The formulas to calculate the Revenue Required

from Sales of Water do not include the test year's Interest Income. Confirm this was an error in the calculation. If not, provide an explanation for not including the Interest Income.

**Response: Confirmed the referenced Cells have an incorrect formula.**

**Witness: Morris Vaughn**

24. Refer to the Application, Attachment 4, SAO, Adjustment G, Table A Depreciation Expense Adjustments, Meter Change-outs.

a. Provide an explanation for the proposed fifteen-year service life for meters. Include in this explanation any engineering reports, testing reports, or technical specifications that support the proposed fifteen-year service life for each meter model and brand.

**Response: The Association's past practice has been to pull and test meters on a ten-year cycle as required by the regulations. Our experience is that the meters test with-in the specifications after ten-years of service. When the meters are put back in to service the accuracy of some of the meters declines when tested at the next ten-year cycle. We feel that twenty years is to long. Using a Fifteen-year service life is reasonable. The internal lithium battery is warrantied for a period of 20 years. See the attached files titled, 24_a_AMI_System_Specification.pdf**

**Witness: Morris Vaughn**

b. Confirm that each meter proposed for fifteen-year service life is a radio-read or Automated Meter Reading (AMR) meter. If not confirmed, explain the response.

**Response: Confirmed, each meter is an AMI radio-read meter with a 20 year warranty.**

**Witness: Morris Vaughn**