

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BRONSTON)	CASE NO.
WATER ASSOCIATION, INC. FOR A RATE)	2026-00018
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

NOTICE OF FILING OF COMMISSION STAFF'S REPORT

Notice is hereby given that, in accordance with the Commission's Order of February 19, 2026, the attached report containing the recommendations of Commission Staff (Staff) regarding the Applicant's proposed rate adjustment has been filed in the record of the above-styled proceeding. Pursuant to the Commission's February 19, 2026 Order, Bronston Water Association, Inc. (Bronston Water) is required to file written comments regarding the recommendations of Staff no later than 14 days from the date of service of this report. The Commission directs Bronston Water to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601-8294

DATED **JUN 04 2026**

cc: Parties of Record

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

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COMMISSION STAFF'S REPORT
ON BRONSTON WATER ASSOCIATION, INC.

Bronston Water Association, Inc. (Bronston Water) is a nonprofit corporation public utility organized pursuant to KRS Chapter 273 that owns and operates a distribution system through which it provides retail water service to approximately 1,887 residential customers, and 76 commercial customers, that reside in Pulaski and Wayne counties, Kentucky.¹

On January 30, 2026, Bronston Water filed its application with the Commission requesting an adjustment to its water service rates pursuant to 807 KAR 5:076. To comply with the requirements of 807 KAR 5:076, Section 9,² Bronston Water used the calendar year ended December 31, 2024, as the basis for its application. Bronston Water's last base rate increase, filed pursuant to the alternative rate filing procedure, was in Case No. 2022-00117.³ Since that matter, Bronston Water has only adjusted its rates

¹ *Annual Report of Bronston Water to Public Service Commission for the Calendar year Ended December 31, 2024* (2024 Annual Report) at 12 and 49.

² The reasonableness of the proposed rates shall be determined using a 12-month historical test period, adjusted for known and measurable changes, that coincides with the reporting period of the applicant's annual report for the immediate past year.

³ See Case No. 2022-00117, *Electronic Application of Bronston Water Association, Inc. for a Rate Adjustment Pursuant to 807 KAR 5:076*.

pursuant to purchased water adjustments. To ensure the orderly review of the application, the Commission established a procedural schedule by Order dated February 19, 2026. Bronston Water timely responded to two requests for information.⁴

UNACCOUNTED FOR WATER LOSS

Over the last five years, Bronston Water has reported an average water loss of 14.2657 percent,⁵ as shown in the following table.

Year	Water Loss Percentage
2020	12.8633%
2021	15.0253%
2022	14.5155%
2023	13.7981%
2024	15.1261%
Average	<u>14.2657%</u>

Commission regulation 807 KAR 5:066, Section 6(3), states that for ratemaking purposes, a utility's water loss shall not exceed 15 percent of total water produced and purchased, excluding water consumed by a utility in its own operations. The table below shows that the 2024 total annual cost of unaccounted for water loss to Bronston Water is \$53,168, while the annual cost of unaccounted for water loss in excess of 15 percent is \$444.

⁴ Bronston Water's Response to Commission Staff's First Request for Information (Staff's First Request) (filed March 4, 2026); Bronston Water's Response to Commission Staff's Second Request for Information (Staff's Second Request) (filed April 22, 2026).

⁵ *Annual Report of Bronston Water to the Public Service Commission for the Calendar year Ended December 31, 2020* (2020 Annual Report) at 57; *Annual Report of Bronston Water to the Public Service Commission for the Calendar year Ended December 31, 2021* (2021 Annual Report) at 57 and 58; *Annual Report of Bronston Water to the Public Service Commission for the Calendar year Ended December 31, 2022* (2022 Annual Report) at 57 and 58; *Annual Report of Bronston Water to the Public Service Commission for the Calendar year Ended December 31, 2023* (2023 Annual Report) at 57 and 58; and 2024 Annual Report at 57 and 58.

Total Water Loss	Purchased Water	Purchased Power	Total
Pro Forma Purchases	\$ 339,820	\$ 11,673	\$ 351,493
Water Loss Percent	15.1261%	15.1261%	15.1261%
Total Water Loss	\$ 51,402	\$ 1,766	\$ 53,168

Disallowed Water Loss	Purchased Water	Purchased Power	Total
Pro Forma Purchases	\$ 339,820	\$ 11,673	\$ 351,493
Water Loss in Excess of 15%	0.1261%	0.1261%	0.1261%
Disallowed Water Loss	\$ 429	\$ 15	\$ 444

DISCUSSION

Using its pro forma test-year operations, Bronston Water determined that a base rate revenue increase of \$320,359, or 31.21 percent, was necessary to achieve the revenue requirement as shown in the table below.⁶ Bronston Water used the Debt Service Coverage (DSC) method to calculate its revenue requirement.

⁶ Application, Schedule B, Calculation of Overall Revenue Requirement and Required Revenue Increase.

Description	Bronston Water Association, Inc
Pro Forma Operating Expenses	\$ 979,575
Average Annual Principal and Interest Payments	365,315
Additional Working Capital at 20%	73,063
Interest on Customer Deposits	1,067
Total Revenue Requirement	<u>1,419,020</u>
Other Revenue ()	(23,522)
Non-Operating Income	(8,390)
Interest Income ()	(40,254)
Revenue Required From Water Sales	<u>1,346,854</u>
Revenue from Sales at Present Rates ()	(1,026,495)
Required Revenue Increase / (Decrease)	<u>\$ 320,359</u>
Percentage Increase / (Decrease)	<u>31.21%</u>

To determine the reasonableness of the rates requested by Bronston Water, Staff performed a limited financial review of Bronston Water’s test-year operations. The scope of Staff’s review was limited to determining whether operations reported for the test year were representative of normal operations. Known and measurable⁷ changes to test-year operations were identified, and adjustments were made when their effects were deemed material. Insignificant and immaterial discrepancies were not necessarily pursued or addressed.

⁷ Commission regulation 807 KAR 5:076, Section 9, sets the standard for the determination of the reasonableness of proposed rates and states, in pertinent part, that the test period shall be “adjusted for known and measurable changes.” See also Case No. 2001-00211, *Application of Hardin County Water District No. 1 for (1) Issuance of Certificate of Public Convenience and Necessity; (2) Authorization to Borrow Funds and to Issue its Evidence of Indebtedness Therefore; (3) Authority to Adjust Rates; and (4) Approval to Revise and Adjust Tariff* (Ky. PSC Mar. 1, 2002); Case No. 2002-00105, *Application of Northern Kentucky Water District for (A) an Adjustment of Rates; (B) a Certificate of Public Convenience and Necessity for Improvements to Water Facilities if Necessary; and (C) Issuance of Bonds* (Ky. PSC June 25, 2003); and Case No. 2017-00417, *Electronic Proposed Adjustment of the Wholesale Water Service Rates of Lebanon Water Works* (Ky. PSC July 12, 2018).

Staff's recommendations are summarized in this report. Vinay Raj Raju reviewed the calculation of Bronston Water's Overall Revenue Requirement, and Ryan Mattingly reviewed Bronston Water's reported revenues and rate design.

SUMMARY OF FINDINGS

1. Overall Revenue Requirement and Required Revenue Increase. By applying the DSC method, as generally accepted by the Commission, Staff found that Bronston Water requires \$1,340,895 in revenue from water sales to meet the Overall Revenue Requirement of \$1,418,571. This requires a revenue increase of \$314,400 or 30.63 percent, over pro forma present rate revenues to achieve the Overall Revenue Requirement.

2. Monthly Water Service Rates. In its application, Bronston Water proposed to increase its monthly water service rates by 31.21 percent to all its water customers evenly across the board.⁸ Bronston Water stated that it did not consider filing a cost-of-service study (COSS) at this time considering there has been no material changes in the water system that would cause a new COSS to be prepared.⁹ Bronston Water stated that it was unable to locate a copy of the most recent COSS performed.¹⁰ The Commission has previously found that the allocation of a revenue adjustment evenly across the board to a utility's rate design is appropriate when there has been no evidence entered into the

⁸ Application, Exhibit 1, Published Notice to Customers of Proposed Rates.

⁹ Bronston Water's Response to Staff's First Request, Item 7(a).

¹⁰ Bronston Water's Response to Staff's First Request, Item 7(d).

record demonstrating that this method is unreasonable in the absence of a COSS.¹¹ Finding no such evidence in this case, Staff allocated the \$314,400 revenue increase evenly across Bronston Water's monthly retail water service rates.

The rates recommended in Appendix B to this report are based upon the pro forma revenue requirement, as calculated by Staff, and will produce sufficient revenues from water sales to recover the \$1,340,895 revenue required from rates, an approximate 30.63 percent increase. The monthly water bill for a typical residential customer using approximately 2,910 gallons per month¹² will increase from \$38.55 to \$50.37 for an increase of \$11.82 or approximately 30.66 percent.

3. Nonrecurring Charges. Following the Commission's previous decisions identifying issues with the calculation of Nonrecurring Charges,¹³ Staff reviewed Bronston Water's Nonrecurring Charges. Since utility personnel are already compensated for labor performed during regular business hours, estimated labor costs for performing work during regular business hours, if included in determining Nonrecurring Charge Expense, should be eliminated from the charges. Bronston Water personnel are currently paid

¹¹ Case No. 2024-00155, *Electronic Application of Cannonsburg Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Apr. 8, 2025); Case No. 2024-00242, *Electronic Application of Wood Creek Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Mar. 21, 2025); and Case No. 2024-00068, *Electronic Application of Simpson County Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Oct. 29, 2024), and Case No. 2024-00002, *Electronic Application of Nebo Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Aug. 2, 2024).

¹² Application, Exhibit 1, Published Notice to Customers of Proposed Rates.

¹³ Case No. 2023-00299, *Electronic Application of Magoffin County Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC May 24, 2024); Case No. 2023-00284, *Electronic Application of Montgomery County Water District No. 1 for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Mar. 5, 2024); Case No. 2023-00258, *Electronic Application of Kirksville Water Association, Inc. for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC May 3, 2024); and Case No. 2023-00220, *Electronic Application of East Casey County Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC May 21, 2024).

during normal business hours, and their salaries and wages are an expense recovered in rates; thus, there is no additional employee compensation incurred as a nominal expense arising from a nonrecurring charge service provided during regular business hours. Bronston Water provided updated cost justification information, which included estimated regular business hours for labor costs for most of the Nonrecurring Charges,¹⁴ as well as a list of the number of occurrences for each of its Nonrecurring Charges.¹⁵ Staff reviewed the cost justification information provided by Bronston Water and adjusted the charges by removing Field Labor Costs and Office/Clerical Labor Costs that occur during regular business hours from those charges. While Bronston Water's cost justification information for Nonrecurring Charges was adjusted, the Nonrecurring Charges reflected in its current tariff do not include Field Labor Costs and Office/Clerical Labor Costs that occur during regular business hours, as those costs were removed in Bronston Water's previous case.¹⁶ The cost justification information shown in Appendix A supports the adjustments recommended by Staff.

Staff notes that Bronston Water provided support for a Meter Re-set Charge of \$293.00, which is an increase of \$267.00 from its previous charge of \$26.00.¹⁷ Bronston Water stated that the cost of a new meter had been inadvertently omitted from the cost justification in Case No. 2022-00117,¹⁸ accordingly Bronston Water included the cost of

¹⁴ Bronston Water's Response to Staff's First Request, Item 8.

¹⁵ Application, Exhibit E, Schedule A, Statement of Adjusted Operations, Reference F.

¹⁶ Case No. 2022-00177, *Electronic Application of Bronston Water Association, Inc. for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Oct. 12, 2022), Order at 8-9.

¹⁷ Case No. 2022-00177, Oct. 12, 2022 Order, Appendix B at 1.

¹⁸ Case No. 2022-00177, (filed June 17, 2022) Bronston Water's Supplemental Response to Commission Staff's First Request for Information, Item 8.

a new meter in its updated calculation.¹⁹ The table below shows the current and revised Nonrecurring Charges. The adjustments to the Nonrecurring Charges result in an increase in Other Water Revenues of \$5,510.

Description	Occurrences	Current Charge	Revised Charge	Adjustments	Pro Forma Revenue	Test Year
Connection / Turn-on Charge	2	\$ 18	\$ 22	\$ 8	\$ 44	\$36
Meter Relocation Charge	1	Actual Cost	Actual Cost	-	511	511
Meter Test Charge	0	65	84	-	-	-
Re-connection Fee	76	21	29	608	2,204	1,596
Meter Re-set Charge	19	26	293	5,073	5,567	494
Returned Check Charge	23	20	31	253	713	460
Service Call / Investigation Charge	2	18	22	8	44	36
Reimbursements for Property Damage (Locks)	6	Actual Cost	Actual Cost	(440)	-	440
Pro Forma				\$ 5,510	9,083	\$3,573
Test Year ()					(3,573)	
Adjustment					\$ 5,510	

Bronston Water provided an updated cost justification for its 5/8-Inch x 3/4-Inch meter Connection/Tap-On Charge.²⁰ Staff reviewed the cost justification provided by Bronston Water and recommends the Commission increase the meter connection charges as shown in the table below and justified by the amounts provided in the supporting documentation.²¹

Description	Current Charge	Revised Charge
5/8- x 3/4-Inch Water Tap On	\$ 1,382.70	\$ 1,584.00
1-Inch Water Tap On	Actual Cost	Actual Cost
1-1/2 Inch Water Tap On	Actual Cost	Actual Cost
2-Inch Water Tap On	Actual Cost	Actual Cost

¹⁹ Bronston Water's Response to Staff's Second Request, Item 4(a).

²⁰ Bronston Water's Response to Staff's First Request, Item 9.

²¹ Bronston Water's Response to Staff's First Request, Item 9.

PRO FORMA OPERATING STATEMENT

Bronston Water's Pro Forma Operating Statement for the test year ended
December 31, 2024, as determined by Staff appears in the table below.

Description	Test Year	Bronston Water Association, Inc Proposed Adjustments	Commission Staff Adjustments	Total Adjustments	(Ref)	Pro Forma
Operating Revenues						
Metered Retail Sales	\$ 1,123,190	\$ (96,695)	\$ -	\$ (96,695)	A	\$ 1,026,495
Other Revenues						
Forfeited Discounts		19,949	0	19,949	A	19,949
Non Recurring Charges		3,573	5,510	9,083	A	9,083
Total Operating Revenues	1,123,190	(73,173)	5,510	(67,663)		1,055,527
Operation and Maintenance						
Salaries and Wages - Employees	147,559	5,076	0	5,076	B	152,635
Salaries and Wages - Officers	15,828		(6,828)	(6,828)	C	9,000
Employee Benefits - Medical	40,415	12,735	0	12,735	D	53,150
Purchased Water	364,983	(26,213)	0	(26,213)	E	
			(429)	(429)	F	338,341
Purchased Power	11,673	0	0	0		
			(15)	(15)	F	11,658
Materials and Supplies	94,299	(19,980)	0	(19,980)	G	
		(17,025)	0	(17,025)	G	57,294
Contracted Services - Accounting	5,055	0	0	0		5,055
Contractual Services - Water Testing	6,270	0	0	0		6,270
Transportation Expenses	551	0	0	0		551
Rate Case Amortization		4,033	0	4,033	H	4,033
Insurance - Other	26,440		0	0		26,440
Misc. and General Expenses	112,327	(3,200)	0	(3,200)	I	
		(17,025)	0	(17,025)	I	
		(7,898)	0	(7,898)	I	
		(3,449)	0	(3,449)	I	
			(693)	(693)	I	
			6,828	6,828	I	86,890
Total	825,400	(72,946)	(1,137)	(74,083)		751,317
Amortization	870			0		870
Depreciation Expense	155,205	1,240	0	1,240	J	
		757	0	757	J	
		57,372	0	57,372	J	214,574
Taxes Other Than Income	10,803	874	688	1,562	K	12,365
Total Operating Expenses	992,278	(12,703)	(449)	(13,152)		979,126
Net Operating Income	130,912	(60,470)	5,959	(54,511)		76,401
Interest Income	40,254			0		40,254
Non-utility Income	20,777	4,685	0	4,685	L	
		(16,592)	0	(16,592)	L	
		(480)	0	(480)	L	8,390
Income Available to Service Debt	\$ 191,943	\$ (72,857)	\$ 5,959	\$ (66,898)		\$ 125,045

(A) Operating Revenues. During the test year, Bronston Water reported \$1,123,190 in Metered Retail Sales.²² Bronston Water proposed nine adjustments to decrease test-year retail sales by \$96,695, as shown in the table below.²³ A billing analysis and accounting adjustment increased test-year water sales, while sewer billing revenues, a thirteenth month of customer billing, tap-on fees, membership fees, and billing adjustments related to metering errors and leak allowances were removed to decrease test-year retail sales. Two items, Forfeited Discounts and Nonrecurring Charges, were reclassified to Other Operating Revenues, resulting in a net decrease to revenue of \$73,173.²⁴ Staff reviewed Bronston Water's adjustments and recommends that the Commission accept Bronston Water's proposed operating revenues because they are based on test year operating revenues with known and measurable adjustments.

Adjustment Description	Water Sales Revenue	Commission Staff Adjustments	Total Adjustments	Non-Utility Income
Thirteenth Month of Billing Included in GL *	\$ (86,554)		\$ (86,554)	\$ -
Revenue Accrual Adjustment *	69,426		69,426	-
Remove Tap-on Fees	(23,506)		(23,506)	(16,592)
Metering Errors and Leak Allowances	(27,390)		(27,390)	-
Billing Analysis Adjustment	1,296		1,296	-
Revenue from Sewer Billing Services (Woodson Bend	(4,685)		(4,685)	4,685
Membership Fees	(1,760)		(1,760)	(480)
Reclass to Forfeited Discounts	(19,949)		(19,949)	-
Reclass to Nonrecurring Charges	(3,573)		(3,573)	-
Water Revenue Adjustments	\$ (96,695)	\$ -	\$ (96,695)	\$ (12,387)
Forfeited Discounts Reclass from Sales	19,949		19,949	-
Nonrecurring Charges Reclass from Sales	3,573	5,510	9,083	-
Total Revenue Adjustments	\$ (73,173)	\$ 5,510	\$ (67,663)	\$ (12,387)

*These two adjustments are related and offset.

²² Application, Exhibit 3, Schedule A, Statement of Adjusted Operations.

²³ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations, References, Reference A- I.

²⁴ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations, References, Reference E- F.

Other Revenues. As discussed above, Nonrecurring Charges of \$3,573 and Forfeited Discounts of \$19,949 were reclassified from Metered Retail Sales to Other Revenue.²⁵ Based on the number of occurrences during the test period,²⁶ and Staff's recommended Nonrecurring Charge amounts, Staff calculated a pro forma revenue amount for Nonrecurring Charges of \$9,083, as shown in the table above. Staff recommends the Commission accept Staff's adjustment to increase Other Revenues by \$5,510.

Description	Test Year	Bronston Water Proposed Adjustments	Commission Staff Adjustments	Total Adjustments	Pro Forma
<i>Nonrecurring Charges</i>					
Reconnection Fees	\$ 1,596	-	\$ 608	\$ 608	\$ 2,204
Connection Turn-On Fees	36	-	8	8	44
Meter Reset	494	-	5,073	5,073	5,567
Meter Relocation	511	-			511
Returned Check Fee	460	-	253	253	713
Service Call / Investigation	36	-	8	8	44
Reimbursements for Property Damage (Locks)	440	-	(440)	(440)	-
Total NRCs	\$ 3,573	-	\$ 5,510	\$ 5,510	\$ 9,083

(B) Salaries and Wages – Employees. In its application, Bronston Water reported \$147,559 of expenses related to Salaries and Wages – Employees and proposed an adjustment to increase its expenses by \$5,076 to reflect the impact of changes in wage rates since the test year and the inclusion of annual incentive pay in the amount of \$1,000 for each employee.²⁷ Bronston Water has three full time office employees and one part time customer service employee.²⁸ Bronston Water stated that incentive pay was provided in 2023, the test year of 2024, and 2025, and therefore,

²⁵ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations, Reference E and F.

²⁶ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations, Reference F.

²⁷ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations.

²⁸ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations, References, Reference J.

considered a recurring expense.²⁹ Payments are awarded based on employee performance as approved by the Board of Directors, as documented in Board meeting minutes.³⁰ Staff reviewed Bronston Water's calculation and recommends that the Commission accept Bronston Water's proposed Salaries and Wages – Employees expense because it is known and measurable adjustments to the test year expense.

(C) Salaries and Wages - Officers. In its application, Bronston Water reported \$15,828 of expenses related to Salaries and Wages – Officers and proposed no adjustments.³¹ Staff reviewed Bronston Water's General Ledger and identified that, during the test year, \$6,828 Transmission and Distribution Expense: Gas, was classified as Board of Directors' Wages.³² Bronston Water confirmed that this misclassification resulted from an error in the initial draft of its 2024 Annual Report.³³ Staff finds that these costs do not represent officer compensation and should be properly classified as Operation and Maintenance – Misc. and General Expenses. Accordingly, Staff reclassified \$6,828 from Salaries and Wages – Officers to Misc. and General Expenses to ensure proper presentation of test year operating expenses. Staff recommends the Commission accept Staff's adjustment to test year Salaries and Wages - Officers because it is known and measurable.

²⁹ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations, References, Reference J.

³⁰ Bronston Water's Response to Staff's First Request, Item 4, Board Minutes.

³¹ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations.

³² Bronston Water's Application, Bronston_2024_General_Ledger.

³³ Bronston Water's Response to Staff's Second Request, Item 1a.

Commissioners	Amount
Test Year	\$ 15,828
<i>Commissioners' Salaries</i>	
Eric	3,000
Matt	2,400
Clint	1,200
Alvin	1,200
Jamie	1,200
Total	9,000
Reclassification to Misc Exp	\$ (6,828)

(D) Employee Benefits. In its application, Bronston Water reported \$40,415 of expenses related to Employee Benefits and proposed an adjustment to increase its expenses by \$12,735.³⁴ Bronston Water stated that its full-time employees are eligible to receive full health insurance benefits,³⁵ with two employees enrolled in health insurance plans during 2024, 2025, and 2026.³⁶ It also stated that all employees are automatically enrolled to receive short term disability and supplemental health insurance benefits.³⁷ Bronston Water stated that, prior to January 5, 2026, its employees contributed 35 percent of the cost of a multi-family health insurance plan, above the cost of a single employee health plan. However, after January 5, 2026, Bronston Water confirmed that it pays the cost of all full-time employees' health, short-term disability and supplemental health insurance.³⁸ It further stated that it is unclear to Bronston Water's current

³⁴ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations.

³⁵ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations, References, Reference K.

³⁶ Bronston Water's Response to Staff's First Request, Item 12b.

³⁷ Bronston Water's Response to Staff's First Request, Item 12b.

³⁸ Bronston Water's Response to Staff's First Request, Item 12a.

administration how the 35 percent contribution rate was originally established, but it was eliminated to provide an added benefit to attract and retain employees.³⁹ Staff reviewed Bronston Water's calculation and the latest invoices⁴⁰ and recommends the Commission accept Bronston Water's Employee Benefits expenses with the proposed adjustment because it is known and measurable.

(E) Purchased Water. In its application, Bronston Water reported \$364,983 in expenses for Purchased Water and proposed an adjustment to decrease its expenses by \$26,213.⁴¹ During the test year, Bronston Water purchased 97,091,400 gallons of water from Monticello Utility Commission through three separate metering locations.⁴² Bronston Water stated that the test year expense included \$23,598 for water purchased during December 2023, resulting in 13 months of Purchased Water Expense being reported for the test year.⁴³ Additionally, it stated that during July of the test year, it transitioned accounting software from Sage Intacct Finance Software (Sage) to Intuit QuickBooks (QuickBooks).⁴⁴ During this transition, payroll debit entries totaling \$2,615 were improperly recorded in the Purchased Water Expense account.⁴⁵ Bronston Water proposed to remove misclassified payroll entry from purchased water expense. Therefore, Bronston Water proposed a total decrease of \$26,213, consisting of \$23,598

³⁹ Bronston Water's Response to Staff's First Request, Item 12a.

⁴⁰ Bronston Water's Response to Staff's First Request, Item 12c.

⁴¹ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations.

⁴² Application, ARF_Workpapers.

⁴³ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations, References, Reference L.

⁴⁴ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations, References, Reference L.

⁴⁵ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations.

related to the inclusion of 13 months of purchased water expense and \$2,615 of misclassified payroll entry. ⁴⁶ Staff reviewed Bronston Water’s calculation and finds the adjustments are reasonable and recommends the Commission accept Bronston Water’s purchased water expense with the proposed adjustment that is known and measurable.

(F) Unaccounted for Water Loss. In its application, Bronston Water did not propose any adjustments to decrease Purchased Water and Purchased Power Expenses for unaccounted for water loss in excess of fifteen percent. During the test year, Bronston Water reported a water loss of 15.1261 percent.⁴⁷ Commission regulations state that for ratemaking purposes, expenses for water loss in excess of 15 percent shall not be included for ratemaking purposes.⁴⁸ Bronston Water’s pro forma indicated \$339,820 in Purchased Water Expense and \$11,673 in Purchased Power Expense. Staff made adjustments to decrease Purchased Water Expense by \$429 and Purchased Power Expense by \$15 to reflect the disallowance of water loss expenses in excess of 15 percent. Staff recommends the Commission accept Staff’s adjustment of \$429 decrease to Purchased Water Expense and a \$15 decrease to Purchased Power Expense, since the amounts reflects the limit to costs related to excess water loss to 15 percent.

Disallowed Water Loss	Purchased Water	Purchased Power	Total
Pro Forma Purchases	\$ 339,820	\$ 11,673	\$ 351,493
Water Loss in Excess of 15%	0.1261%	0.1261%	0.1261%
Disallowed Water Loss	\$ 429	\$ 15	\$ 444

⁴⁶ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations.

⁴⁷ 2024 Annual Report at 57 and 58.

⁴⁸ 807 KAR 5:066 (Water), Section 6(3) (Water Supply Measurement).

(G) Materials and Supplies. In its application, Bronston Water reported \$94,299 of expenses related to Materials and Supplies and proposed two adjustments to decrease its expenses by \$19,980 and \$17,025.⁴⁹ Bronston Water proposed a decrease of \$19,980 to remove costs associated with building improvements that were recorded as Materials and Supplies Expense and \$3,200 as Misc. and General Expenses during the test year.⁵⁰ These costs were incurred for capital improvements to its office facility and were capitalized and depreciated over their estimated useful lives.⁵¹ Bronston Water proposed a corresponding adjustment to test year depreciation expense of \$1,240 discussed in Depreciation Expense below.⁵²

During the test year, Bronston Water constructed 29 new 5/8-inch meter connections but capitalized and depreciated only the direct cost of the meters, \$6,048.⁵³ For ratemaking purposes, Bronston Water estimated the total cost of the 29 meter installations to be \$40,098, which includes the administrative wages, labor overheads, materials and supplies, equipment costs and contractual services.⁵⁴ To capitalize the remaining amount \$34,050, Bronston Water reduced the test year Materials and Supplies Expense by \$17,025 and Misc. and General Expense by \$17,025. The Uniform System of Accounts for class A/B Water systems (USoA) requires these costs be capitalized as

⁴⁹ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations.

⁵⁰ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations, References, Reference M.

⁵¹ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations, References, Reference M.

⁵² Application, Exhibit 3, Schedule A, Statement of Adjusted Operations, References, Reference M.

⁵³ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations, References, Reference N.

⁵⁴ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations, References, Reference N.

Utility Plant in Service and depreciated over their useful lives.⁵⁵ Bronston Water proposed a corresponding adjustment to test year depreciation expense of \$757 discussed in Depreciation Expense below.⁵⁶ Staff agrees with Bronston Water's calculation and recommends the Commission accepting Bronston Water's proposed reductions of \$19,980 and \$17,025 to Materials and Supplies Expense because the amounts are known and measurable, and correctly capitalized costs for capital investments.

(H) Rate Case Amortization. Bronston Water did not report any test year expenses related to Rate Case Expense but proposed an adjustment to include the expense of \$4,033.⁵⁷ Bronston Water provided a copy of a Kentucky Rural Water Association (KRWA) quote for the preparation for the rate case that is not to exceed \$11,200⁵⁸ and an invoice related to the rate case expenses⁵⁹ and stated in addition to the KRWA contract fee; Bronston Water incurred publication costs of \$900.⁶⁰ Bronston Water then amortized the rate case expense over three years. Staff agrees with Bronston Water's methodology because utilities are expected to file for a rate case every three to five years. Staff recommends the Commission accept Bronston Water's proposed adjustment because it is known and measurable.

⁵⁵ UsoA, Accounting Instructions 19 and 33.

⁵⁶ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations, Reference, References N.

⁵⁷ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations.

⁵⁸ Bronston Water's Response to Staff's First Request, Item 13b.

⁵⁹ Bronston Water's Response to Staff's Second Request, Item 2.

⁶⁰ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations Reference, References O.

Description	Amount
Kentucky Rural Water Association Fee	\$ 11,200
Publication	900
Total	12,100
Amortization Years	3
Annual Rate Case Expense	\$ 4,033

(l) Misc. and General Expenses. In its application, Bronston Water reported \$112,327 expenses related to Misc. and General Expenses and proposed four adjustments.⁶¹ First, it proposed to decrease its expense by \$3,200 to capitalize expenses related to improvements to its office facility. Second, Bronston Water proposed to decrease its expense by \$17,025 to account for the installation of 29 new 5/8-inch meter connections discussed above.⁶² Accordingly, Bronston Water reduced test year Misc. and General Expenses by \$3,200 and \$17,025 and capitalized the amount to be depreciated over the estimated useful lives of the related assets, as discussed above in the Materials and Supplies section. Staff reviewed Bronston Water’s calculation and agreed with the adjustment.

Third, Bronston Water proposed to decrease its expense by \$7,898 to reflect the removal of Audit Adjustment Journal Entries Nos. 1 and 5 from the test year.⁶³ It stated that Audit Adjustment No. 1 increased expenses by \$15,290 to correct beginning balance sheet accounts and does not represent a recurring cost.⁶⁴ Additionally, Audit Adjustment

⁶¹ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations.

⁶² Application, Exhibit 3, Schedule A, Statement of Adjusted Operations Reference, References P.

⁶³ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations Reference, References P.

⁶⁴ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations Reference, References P.

No. 5 decreased expenses by \$7,392 to correct accrued payroll accounts.⁶⁵ The removal of these entries results in a net decrease of \$7,898 to test year Misc. and General Expenses. Staff reviewed Bronston Water's calculation and agreed with the adjustment.

As a fourth adjustment, Bronston Water proposed to decrease its expenses by \$3,449.⁶⁶ During the test year, it recorded employee health care costs of \$3,449 in Misc. and General Expenses. Bronston Water stated that, as a result of its proposed adjustment to Employee Benefits expense, employee health care costs are fully reflected in pro forma operations.⁶⁷ Therefore, the test year amount was removed from Misc. and General Expenses to prevent duplicate recovery of this cost. Staff reviewed Bronston Water's calculation and agreed with the adjustment.

Staff identified an expense of \$693 for office meals that is not directly related to Bronston Water's ability to provide service to its customers, and therefore, should not be included in recovery through rates. Staff notes that, while the expenses were approved by the Board of Directors,⁶⁸ it did not provide sufficient evidence that such expenses are governed by a formal policy or are necessary for the provision of utility service. Staff recommends the Commission accept Staff's adjustment because it is known and measurable.

Additionally, as discussed above in the Salaries and Wages – Officers section, Staff identified \$6,828 of expenses that were misclassified as Board of Directors wages.

⁶⁵ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations Reference, References P.

⁶⁶ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations.

⁶⁷ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations Reference, References Q.

⁶⁸ Bronston Water's Response to Staff's Second Request, Item 3.

Staff reclassified \$6,828 to Misc. and General Expenses to ensure proper classification of operating expenses. As a result, test year Misc. and General Expenses were increased by \$6,828. In total, Bronston Water proposed four adjustments to Misc. and General Expenses, all of which staff reviewed and accepted. Staff also identified two additional adjustments: the removal of \$693 in office meal expenses and the reclassification of \$6,828 in Board of Directors wages to Misc. and General Expenses. After consideration of all adjustments discuss above, Staff determined a pro forma Misc. and General Expense amount of \$86,890. Staff recommends the Commission accept Staff's Misc. and General Expense amount of \$86,890, which reflects the known and measurable adjustments discussed in this section.

(J) Depreciation. In its application, Bronston Water reported \$155,205 of expenses related to Depreciation and proposed three adjustments.⁶⁹ First, Bronston Water proposed to increase Depreciation Expense by \$1,240, as discussed above in Materials and Supplies and Misc and General Expenses, arising from expenses of \$19,980 and \$3,200 that were incurred to construct capital improvements to its office facility. These costs were capitalized and depreciated over their estimated useful lives. Staff reviewed Bronston Water's calculation and agreed with the adjustment.

Second, Bronston Water proposed to increase its expenses by \$757.⁷⁰ Bronston Water initially capitalized and depreciated only the direct cost of 29 meters. However, as discussed above in Materials and Supplies section, the total cost associated with the installation of the 29 meters was determined to be \$40,098, which was proposed to be

⁶⁹ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations.

⁷⁰ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations.

depreciated over a 45-year useful life, resulting in an annual depreciation expense of \$757.⁷¹ Staff reviewed Bronston Water's calculation and agreed with the adjustment.

Lastly, in Case No. 2024-00076,⁷² Bronston Water filed an application with Commission requesting approval for the construction and financing of water system improvements with an estimated total cost of \$3,368,420.⁷³ The Commission approved the construction and financing of the project in an Order entered on July 9, 2024.⁷⁴ In the present proceeding, Bronston Water stated that the project is expected to be placed into service in April 2026 and proposed to include \$57,372 in pro forma Depreciation expense.⁷⁵ Staff reviewed Bronston Water's calculation and finds the proposed adjustment reasonable. However, because the project had not yet been confirmed by as in service at the time Staff completed its review, Staff's recommendation is contingent upon Bronston Water filing comments to the Staff Report confirming that the project has been placed into service. Upon receipt of such confirmation, Staff recommends the Commission accept Bronston Water's proposed adjustment.

(K) Payroll Taxes. In its application, Bronston Water reported \$10,803 of expenses related to Payroll Taxes and proposed an adjustment to increase its expenses by \$874.⁷⁶ Due to the changes to Salaries and Wages, Staff recalculated the Payroll

⁷¹ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations.

⁷² Case No. 2024-00076, *Electronic Application of Bronston Water Association, Inc. for a Certificate of Public Convenience and Necessity to Construct a System Improvements Project and an Order Authorizing the Issuance of Securities Pursuant to KRS 278.300* (filed Apr. 10, 2024).

⁷³ Case No. 2024-00076, Apr. 10, 2024 Application.

⁷⁴ Case No. 2024-00076, Apr. 10, 2024 Application.

⁷⁵ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations.

⁷⁶ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations.

Taxes and recommends an adjustment of \$1,562 which is \$688 increase from Bronston Water's proposed adjustment. The adjustment results in pro forma test year amount of \$12,235. Staff recommends the Commission accept Staff's Payroll Taxes expense with Staff's calculated adjustment because it is known and measurable.

Description	Amount
Salaries and Wages - Employees	\$ 152,635
Salaries and Wages - Officers	9,000
Total Salaries and Wages	161,635
Times: 7.65 Percent FICA Rate	7.65%
Pro Forma Payroll Taxes	12,365
Test Year Payroll Taxes ()	(10,803)
Commission Staff's Adjustment	1,562
Bronston Water's Adjustment	874
Difference between Commission Staff's and Bronston Water's Adjustment	\$ 688

(L) Non-utility Income. In its application, Bronston Water reported \$20,777 of Non-utility Income and proposed three adjustments.⁷⁷ First, Bronston Water proposed an increase of \$4,685.⁷⁸ It stated that it provides sewer billing services to Woodson Bend Sewer System in return for a billing fee and this sewer billing service and collection of billing fees is not part of Bronston Water's operations regulated by the Commission.⁷⁹ During the test year, it reported all sewer billing service revenue in the amount of \$4,685 as part of regulated Water Sales Revenues and for rate making purposes, Bronston Water proposed this amount to be reclassified to Non-utility Income. Staff reviewed Bronston Water's General Ledger and agrees that the income should be properly

⁷⁷ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations.

⁷⁸ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations.

⁷⁹ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations, References, Reference B.

classified as Non-utility income. Staff recommends the Commission accept this adjustment.

Second, Bronston Water proposed to decrease Non-utility Income by \$16,592 to remove tap on fees recorded during the test year.⁸⁰ Bronston Water reported total tap on fee collections of \$40,098.30, and split this amount for reporting purposes between Water Sales Revenue \$23,505.90, and Non-utility Income, \$16,592.40.⁸¹ It stated that tap on fees should be recorded as Contribution in Aid of Construction (CIAC) and are not properly recognized as operating revenue for ratemaking purposes.⁸² Accordingly, the \$16,592.40 amount recorded in the Non-utility Income was removed from test year operations. Staff reviewed Bronston Water's proposed adjustment and finds it to be reasonable and appropriate and as such, recommends the Commission accept this adjustment.

Third, Bronston Water proposed to decrease Non-utility Income by \$480 to remove membership fees recorded during the test year.⁸³ It collected membership fees totaling \$2,240 of which \$480 was recorded as Non-utility Income.⁸⁴ It stated that membership fees should be recorded as equity and not recognized as operating income for ratemaking purposes.⁸⁵ Bronston Water stated that membership fees are non-recurring in nature and are assessed to any bona fide occupant having reasonable access to Bronston Water's

⁸⁰ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations.

⁸¹ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations, References, Reference C.

⁸² Application, Exhibit 3, Schedule A, Statement of Adjusted Operations, References, Reference C.

⁸³ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations.

⁸⁴ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations, References, Reference D.

⁸⁵ Application, Exhibit 3, Schedule A, Statement of Adjusted Operations, References, Reference D.

distribution system upon approval by the Board of Directors.⁸⁶ Accordingly, the amount recorded in Non-utility Income was removed from test year operations.

Staff reviewed Bronston Water's proposed adjustment and finds the adjustment reasonable. Membership fees should be properly recorded as equity contributions rather than income and should not be included in test year's operating revenues for rate-making purposes. This adjustment results in a decrease of \$480. Therefore, Staff recommends the Commission accept Bronston Water's adjustment to remove membership fees from Non-utility Income because it is known and measurable.

Staff recommends the Commission accept Bronston Water's proposed Non-utility Income amount of \$8,390, reflecting a net decrease of \$12,387 from reported test year Non-utility Income as discussed above.

OVERALL REVENUE REQUIREMENT

The Commission has historically applied a DSC method to calculate the Overall Revenue Requirement of water districts and water associations. This method allows for recovery of: (1) cash-related pro forma operating expense; (2) depreciation expense, a non-cash item, to provide working capital;⁸⁷ (3) the average annual principal and interest

⁸⁶ Bronston Water's Response to Staff's Second Request, Item 5.

⁸⁷ The Kentucky Supreme Court has held that the Commission must permit a water district to recover its depreciation expense through its rates for service to provide internal funds for renewing and replacing assets. See *Public Serv. Comm'n of Kentucky v. Dewitt Water Dist.*, 720 S.W.2d 725, 725 (Ky.1986). Although a water district's lenders require that a small portion of the depreciation funds be deposited annually into a debt reserve/depreciation fund until the account's balance accumulates to a required threshold, neither the Commission nor the Court requires that revenues collected for depreciation be accounted for separately from the water district's general funds or that depreciation funds be used only for asset renewal and replacement. The Commission has recognized that the working capital provided through recovery of depreciation expense may be used for purposes other than renewal and replacement of assets. See Case No. 2012-00309, *Application of Southern Water and Sewer District for an Adjustment in Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities* (Ky. PSC Dec. 21, 2012).

payments on all long-term debts; and (4) working capital that is in addition to depreciation expense.

Description	Bronston Water Association, Inc	Commission Staff
Pro Forma Operating Expenses	\$ 979,575	\$ 979,126
Average Annual Principal and Interest Payments	365,315	365,315
Additional Working Capital at 20%	73,063	73,063
Interest on Customer Deposits	1,067	1,067
Total Revenue Requirement	1,419,020	1,418,571
Other Revenue ()	(23,522)	(29,032)
Non-utility Income	(8,390)	(8,390)
Interest Income ()	(40,254)	(40,254)
Revenue Required From Water Sales	1,346,854	1,340,895
Revenue from Sales at Present Rates ()	(1,026,495)	(1,026,495)
Required Revenue Increase / (Decrease)	\$ 320,359	\$ 314,400
Percentage Increase / (Decrease)	31.21%	30.63%

Average Annual Principal and Interest Payments and Additional Working Capital.

Bronston Water requested recovery of the average annual principal and interest on its indebtedness in the amount of \$365,315 based on a three-year average of the annual principal, interest, and fee payments for the loans listed in the table below for the years 2027 through 2029.⁸⁸ Staff agrees with the methodology Bronston Water proposed because it is reasonable and recommends the Commission accept Bronston Water's proposed amount. The DSC method, as historically applied by the Commission, includes an allowance for additional working capital that is equal to the minimum net revenues required by a district's lenders that are above its average annual debt payments. In its exhibits, Bronston Water requested recovery of an allowance for working capital that is

⁸⁸ Application, Schedule C, Debt Service Schedule.

equal to 20 percent of its average annual debt service, or \$76,063.⁸⁹ Following the Commission’s historic practice of including additional working capital, Staff agrees with Bronston Water’s proposed methodology and amount.

Description	Total Payment			Total
	2027	2028	2029	
2003 USDA	\$ 22,364	\$ 22,364	\$ 22,364	\$ 67,092
2008 USDA	44,679	44,679	44,679	134,037
2010 USDA	18,974	18,975	18,975	56,924
2014 USDA	29,143	29,144	29,144	87,431
2017 USDA	51,103	51,102	51,102	153,307
2021 USDA	20,119	20,119	20,119	60,357
2026 KIA	179,262	178,933	178,602	536,797
Total	<u>\$365,644</u>	<u>\$365,316</u>	<u>\$364,985</u>	<u>\$ 1,095,945</u>
Three year Average				<u>\$ 365,315</u>
Additional Working Capital at 20 Percent				<u>\$ 73,063</u>

⁸⁹ Application, Schedule B, Calculation of Overall Revenue Requirement and Required Revenue Increase.

Signatures

Vinay Raj Raju

Prepared by: Vinay Raj Raju
Revenue Requirement Branch
Division of Financial Analysis

Ryan Mattingly

Prepared by: Ryan Mattingly
Rate Design Branch
Division of Financial Analysis

APPENDIX A

APPENDIX TO COMMISSION STAFF'S REPORT OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2026-00018 DATED JUN 04 2026

* Denotes Rounding

Nonrecurring Charges Adjustments

Connection / Turn-on Charge			
	Utility Revised Charge	Staff Revised Charge	
Field Materials	\$ -	\$ -	
Field Labor (1hr \$25.00/hr)	\$ 25.00	\$ -	
Office Supplies	\$ -	\$ -	
Office Labor	\$ -	\$ -	
Transportation	\$ 21.75	\$ 21.75	
Misc.	\$ -	\$ -	
Total Revised Charge*	\$ 46.75	\$ 22.00	
Current Rate	\$18.00		

Meter Relocation Charge			
	Utility Revised Charge	Staff Revised Charge	
Field Materials	\$ -	\$ -	
Field Labor	\$ -	\$ -	
Office Supplies	\$ -	\$ -	
Office Labor	\$ -	\$ -	
Transportation	\$ -	\$ -	
Misc.	\$ -	\$ -	
Total Revised Charge*	\$ -	\$ -	
Current Rate	Actual Cost	Actual Cost	

Meter Test Charge			
	Utility Revised Charge	Staff Revised Charge	
Field Materials	\$ -	\$ -	
Field Labor (Charge by Testing Company)	\$ 65.00	\$ 65.00	
Office Supplies	\$ -	\$ -	
Office Labor	\$ -	\$ -	
Transportation	\$ 18.27	\$ 18.27	
Misc.	\$ -	\$ -	
Total Revised Charge*	\$ 83.27	\$ 84.00	
Current Rate	\$65.00		

Re-connection Charge		
	Utility Revised Charge	Staff Revised Charge
Field Materials		\$ -
Field Labor (1hr \$25.00/hr)	\$ 25.00	\$ -
Office Supplies	\$ 7.00	\$ 7.00
Office Labor	\$ 20.00	\$ -
Transportation	\$ 21.75	\$ 21.75
Misc.	\$ -	\$ -
Total Revised Charge*	<u>\$ 73.75</u>	<u>\$ 29.00</u>
Current Rate	\$21.00	

Meter Re-set Charge		
	Utility Revised Charge	Staff Revised Charge
Field Materials	\$ 263.50	\$ 263.50
Field Labor (2hrs \$25.00/hr)	\$ 50.00	\$ -
Office Supplies	\$ 7.00	\$ 7.00
Office Labor	\$ 20.00	\$ -
Transportation	\$ 21.75	\$ 21.75
Misc.	\$ -	\$ -
Total Revised Charge*	<u>\$ 362.25</u>	<u>\$ 293.00</u>
Current Rate	\$26.00	

Returned Check Charge		
	Utility Revised Charge	Staff Revised Charge
Field Materials	\$ -	\$ -
Field Labor	\$ -	\$ -
Office Supplies	\$ 23.00	\$ 23.00
Office Labor	\$ 20.00	\$ -
Transportation	\$ 7.03	\$ 7.03
Misc.	\$ -	\$ -
Total Revised Charge*	<u>\$ 50.03</u>	<u>\$ 31.00</u>
Current Rate	\$20.00	

Service Call / Investigation Charge		
	Utility Revised Charge	Staff Revised Charge
Field Materials	\$ -	\$ -
Field Labor (1hr \$25.00/hr)	\$ 25.00	\$ -
Office Supplies	\$ -	\$ -
Office Labor	\$ -	\$ -
Transportation	\$ 21.75	\$ 21.75
Misc.	\$ -	\$ -
Total Revised Charge*	<u>\$ 46.75</u>	<u>\$ 22.00</u>
Current Rate	\$18.00	

APPENDIX B

APPENDIX TO COMMISSION STAFF'S REPORT OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2026-00018 DATED JUN 04 2026

The following rates and charges are recommended by Commission Staff based on the adjustments in Commission Staff's Report for the customers in the area served by Bronston Water Association, Inc. All other rates and charges not specifically mentioned herein shall remain the same.

Monthly Water Rates

5/8 x 3/4-Inch Meter

First	1,500 Gallons	\$33.72 Minimum Bill
Over	1,500 Gallons	\$0.01181 Per Gallon

1-Inch Meter

First	5,000 Gallons	\$72.20 Minimum Bill
Over	5,000 Gallons	\$0.01181 Per Gallon

2-Inch Meter

First	20,000 Gallons	\$199.21 Minimum Bill
Over	20,000 Gallons	\$0.01181 Per Gallon

4-Inch Meter

First	50,000 Gallons	\$465.38 Minimum Bill
Over	50,000 Gallons	\$0.01181 Per Gallon

Nonrecurring Charges

Connection / Turn-on Charge	\$22.00
Meter Relocation Charge	Actual Cost
Meter Test Charge	\$84.00
Re-connection Fee	\$29.00
Meter Re-set Charge	\$293.00
Returned Check Charge	\$31.00
Service Call / Investigation Charge	\$22.00

Meter Connection/Tap-On Charges

5/8- x 3/4-Inch Water Tap On	\$1,584.00
1-Inch Water Tap On	Actual Cost
1-1/2 Inch Water Tap On	Actual Cost
2-Inch Water Tap On	Actual Cost

Service List for 2026-00018

* Bronston Water Association, Inc.
2013 Highway 90
P. O. Box 243
Bronston, KY 42518

* Jennifer Tucker
Bronston Water Association, Inc.
P. O. Box 243
Bronston, KY 42518

* Jack Scott Lawless
17111 Mallet Hill Drive
Louisville, KY 40245