

# NORTH MARSHALL WATER DISTRICT

96 Carroll Road, Benton, Kentucky 42025  
Telephone (270) 527-3208 • Fax (270) 527-3039



February 23, 2023

Ms. Linda Bridwell PE  
Executive Director  
Kentucky Public Service Commission  
PO Box 615  
Frankfort, KY 40601

RE: North Marshall Water District  
Case No. 2021-00333

Dear Ms. Bridwell:

The North Marshall Water District is working to finish a review of the District's cost of service and revenue requirements in response to the Public Service Commission's Order issued February 21, 2022 associated with Case No. 2021-0033. The Order requires the District to submit an application for a general rate adjustment pursuant to 807 KAR 5:076 or an application for an alternative rate adjustment in accordance with 807 KAR 5:076 within one year.

The Board authorized the District to enter into an agreement with the Kentucky Rural Water Association to assist with the analysis and application in August 2022. The KRWA Rate Specialist presented the District with a checklist of the information required to complete the analysis. The District has prepared a submittal with the requested information. After review of the data, the KRWA Rate Specialist has requested supplement information to better assess the cost of service. The District is in the process of obtaining the additional data and will make a submittal this week.

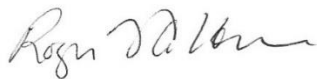
A portion of the data to complete the analysis did not become available until after the end of calendar year 2022. The cost of the most recent improvements completed to the system was in excess of \$3.5 million and it was important to provide the projected depreciation expense for the improvements.

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Additionally, the District's water loss reported in the annual 2001 PSC report was 33.53 %. Management felt it was important to update the loss as part of this effort to account for the improvements the District has completed with the metering program and a heightened priority of expediting the repair of leaks once discovered. The computed loss for the 2022 period ending December 2022 was 22.62%. Another issue that management felt important to address in the cost of service review is the escalated cost of commodities and materials.

We anticipate an initial draft of the cost of service study and rate analysis will be completed before the District's Board of Commissioner meeting scheduled for March 21, 2023. We plan to submit the information to the North Marshall Water District Board at that time for their review and approval prior to submittal of an application to PSC shortly thereafter. Please feel free to call me with any questions or if I can provide additional information at 270-527-3208.

Sincerely,

A handwritten signature in cursive script, appearing to read "Roger L. Colburn".

Roger L. Colburn PE, PLS  
General Manager