

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING) CASE NO.
OF NORTH MARSHALL WATER DISTRICT) 2023-00134

VERIFICATION OF ROGER L. COLBURN

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF MARSHALL)

Roger L. Colburn, Manager of North Marshall Water District, 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.

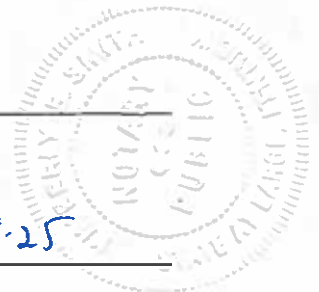


Roger L. Colburn

The foregoing Verification was signed, acknowledged and sworn to before this 30th day of June, 2023. By Roger L. Colburn.



Commission expiration: 7-28-25



NORTH MARSHALL WATER DISTRICT
CASE NO. 2023-00134 RESPONSE TO
Commission Staff's Initial Request for Information

1. Provide copies of each of the following, and when appropriate, provide in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible:

a. The general ledger for the calendar years 2021 and 2022; and the trial balance for the calendar years 2021 and 2022.

Response: See the attached files titled:

1.(a) 2021 NMWD Ledger Analysis.xls

1.(a) 2022 NMWD Ledger Analysis.xls

1.(a) 2021 NMWD Trial Balance.xls

1.(a) 2022 NMWD Trial Balance.xls

Witness: Roger L. Colburn

b. Adjusted Trial Balance showing unaudited account balances, audit adjustments, and audited balances for the calendar years 2021 and 2022.

Response: See the attached files titled:

1.(b) Report Grouping Schedule 2021.xlsx

1.(b) Report Grouping Schedule 2022.xlsx

Witness: Roger L. Colburn

c. Minutes from North Marshall District's commissioner meetings for the calendar years 2021, 2022, and year to date 2023.

Response: See the attached files titled:

1.(c) 2021_NMWD_Board_Mins.pdf

1.(c) 2022_NMWD_Board_Mins.pdf

1.(c) 2023_NMWD_Board_Mins.pdf

Witness: Roger L. Colburn

d. A document listing the names, job titles, hours worked, job description, and pay rates for each employee during the test year and for those currently employed for the test year and year up to date 2023.

Response: See the attached file titled, 1.(d) NMWD Employee Data.xlsx.

Witness: Roger L. Colburn

e. A list that describes all employee benefits, other than salaries and wages, paid to, or on behalf of, each employee for each of the previous two years.

Response: See the attached files titled:

1.(e) North Marshall Water 2021-2022 Benefits Guide.pdf

1.(e) North Marshall Water 2022-2023 Benefits Guide.pdf

Witness: Roger L. Colburn

f. A document listing the names of all commissioners for each of the five previous years, and state, individually, the total amount of each benefit paid to, or on the behalf of, each commissioner during each year (i.e., wages, health insurance premiums, life insurance premiums, FICA taxes, etc.).

Response: See the attached files titled, 1.(f) NMWD Commissioners.xlsx.

Witness: Roger L. Colburn

g. Fiscal Court minutes approving each commissioner's appointment and compensation.

Response: See the attached files titled:

1.(g) MC Fiscal Court Minutes 5_3_22.pdf

1.(g) MC Fiscal Court Minutes 7_6_21.pdf

1.(g) MC Fiscal Court Minutes 6_18_19.pdf

Witness: Roger L. Colburn

h. Provide all the workpapers that support each pro forma adjustment described in the Statement of Adjusted Operations References used to generate the proposed adjustments.

Response: See the attached file titled, NMWD_Rate_Study.xls.

Witness: Sam Reid

i. Explain for how North Marshall District handles excess pensions and other post-employment benefits expenses over contribution levels.

Response: These expenses are treated as deferred outflow of resources and are treated as a consumption of net position that applies to a future period and is not recognized as a system expense until it becomes a system expense. The impact on net position is computed using the North Marshall Water District's share of the net pension liability CERS plan administered by the Kentucky Public Pension Authority as determined by the actuarial. See the attached file titled, 1.(i)NMWD 2021 Audit Note Treatment Excess Pension and OPEB Expense.pdf

Witness: Roger L. Colburn

2. Provide a breakdown for the number of board meetings each commissioner attended during the test year.

Response: See the attached files titled, 2.board_attendance_2021.xlsx.

Witness: Roger L. Colburn

3. State whether each current commissioner has completed all required Commission approved training pursuant to KRS 74.020(8)(b) and KRS 74.020(7)(a) to receive \$6,000 annual compensation.

Response: See the attached files titled:

- 3.2022 PSC Training- Dossett.pdf**
- 3.2022 PSC Training- Draffen.pdf**
- 3.2022 PSC Training- Driskill.pdf**
- 3.2022 PSC Training- Leonard.pdf**
- 3.2022 PSC Training- Shadowen.pdf**

Witness: Roger L. Colburn

4. Provide a copy of the most recent invoice received for all insurance benefits provided to employees (i.e. health, dental, vision, life, disability, etc.).

Response: See the attached files titled:

4.NMWD Amenities.pdf
4.NMWD Cincinnati Life-Payroll Deduction.pdf
4.NMWD Health-Vision-Dental.pdf
4.NMWD Lincoln (ST-LT-Life).xlsx

Witness: Roger L. Colburn

5. Provide a copy of the education and training courses completed in calendar years 2021 and 2022, including a copy of all cost of each training course.

Response: See the attached files titled:

5.2021 Training.pdf
5.2022 Training.pdf

Witness: Roger L. Colburn

6. Identify the number of new water connections that North Marshall District installed in calendar years 2021 and 2022.

Response: The rate application, based test year adjustments on 41 new connections in 2021. While preparing the response to this inquiry we identified a discrepancy in service connections completed in the test year. Through the district's work order system, we verified that there were 44 new service connections in 2021. There were 52 new connections in 2022.

See the attached files titled:

6.NMWD 2021 Taps.pdf
6.NMWD 2022 Taps.pdf

Witness: Roger L. Colburn

7. Refer to the Application, Attachment #4, Schedule of Adjusted Operations, Purchased Water Expense; and the Annual Report of North Marshall District to the Public Service Commission for the Calendar Year Ended December 31, 2021, page 57.

Reconcile the 4,126,000 gallons of water purchased from the annual report to the \$0 for Purchased Water Expense in the application.

Response: The out of the ordinary purchase occurred during an emergency situation, due to a tornado. Insurance covered the cost of the purchase.

Witness: Roger L. Colburn

8. Provide a monthly breakdown in both volumetric amount and dollar amount, for each Chemical purchased during the test year by vendor, identifying all vendors from whom North Marshall District purchased chemicals.

Response: See the attached file titled, 8.CHEMICAL_SUM.xlsx

Witness: Roger L. Colburn

9. Provide the current rates charged by each vendor for each chemical North Marshall District purchases.

Response: See the attached file titled, 9.CurrentChemicalprices.pdf.

Witness: Roger L. Colburn

10. Provide an overview of any actions planned or taken by North Marshall District to reduce its water loss, including a copy of any water loss reduction plan.

Response: See the attached file titled, 10.waterlossstrategy.pdf.

Witness: Roger L. Colburn

11. Refer to the Application, Exhibit 4, Adjustment M. Provide a breakdown of the expected rate case expenses, as well as a copy of the actual costs incurred in conjunction with this rate case.

Response: See the attached file titled, 11_North Marshall WD Water Proposal.pdf.

Witness: Roger L. Colburn

12. Refer to the Application, Exhibit 4, Table A, Depreciation Expense

Adjustments, and Attachment 7, 7_2021_Depreciation_Schedule.xls. Reconcile

Table A's Asset Original Cost and Reported Depreciation Expense columns with the Depreciation Schedule that comprise each asset class recorded, provide where each asset is recorded in Table A.

Response: Exhibit 4, Table A, Depreciation Expense Adjustments is supported by Attachment 8 in the application. (See the file submitted with the application titled,(8.2022 Adjusted Dep Sch.xls).

Witness: Sam Reid

13. Refer to Application, Attachment 4, Table B, Debt Service Schedule. For each outstanding debt issuance still active, provide the case number in which North Marshall District was authorized to issue the debt.

Response: 2014 Bond approved in case 2015-00195. 2022 Bond approved in case 2021-00333.

Witness: Roger L. Colburn

14. Provide a copy of the most recent cost-of-service-study (COSS) performed for North Marshall District's system in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

a. State the last time North Marshall District performed a COSS to review the appropriateness of its current rates and rate design.

Response: current staff members are unaware of a COSS being performed for the utility.

Witness: Roger L. Colburn

b. Explain whether North Marshall District considered filing a COSS with the current rate application and the reasoning for not filing one.

Response: NMWD is not proposing a revision to its current rate design and has not experienced any material revisions in its operations of the system, that would create the need for the preparation of a COSS.

Witness: Roger L. Colburn

c. Explain whether any material changes to North Marshall District's

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

Response: NMWD is a rural water system, providing water predominately to residential customers. NMWD does not presently plan any material revisions in the operations of the system that would necessitate the preparation of a COSS.

Witness: Roger L. Colburn

d. If there have been no material changes to North Marshall District's

system, explain when North Marshall District anticipates completing a new COSS.

Response: NMWD does not anticipate preparing a COSS, to support an adjustment to its service rates. No material revisions in the operations of the system are currently planned.

Witness: Roger L. Colburn

15. Refer to North Marshall District's Application, Current Billing Analysis.

a. Provide the billing analysis in Excel Spreadsheet format with all

formulas, rows, and columns unprotected and fully accessible.

Response: See the attached files titled NMWD_Rate_Study.xls, Tab EXBA.

Witness: Sam Reid

b. Provide a list of applicable adjustments made to the billing analysis

and include an explanation of each adjustment.

Response: See the attached files titled:

15_(b)_Commercial_Adjustment_Report_2021.pdf

15_(b)_Residential_Adjustment_Report_2021.pdf

Witness: Roger L. Colburn

16. a. Provide the date that North Marshall District's meter-reading billing cycle begins.

Response: NMWD reads its meters bi-monthly on the first of the month of the billing cycle. NMWD's scheduled billing cycle for the remainder of 2023 will occur in August, October and December.

Witness: Roger L. Colburn

- b. State if the date that the billing cycle begins is the date that would best be stated as the effective date of any Order the Commission issues concerning rates in this case.

Response: Yes, the date 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.

Witness: Roger L. Colburn

17. Provide the number of occurrences and the dollar amount for Forfeited Discounts/Late Fees that were recorded during the calendar years 2021 and 2022.

Response: See the attached file titled, 17.NMWD Late Fees.xlsx.

Witness: Roger L. Colburn

18. Provide the total amount recorded for each nonrecurring charge and the number of occurrences for each nonrecurring charge that was assessed during the calendar years 2021 and 2022.

Response: See the attached file titled, 18.NMWD Non-Recurring Charges.xlsx.

Witness: Roger L. Colburn

19. Provide an updated cost justification sheet for each nonrecurring charge

listed in North Marshall District's tariff.

Response: See the attached file titled, 19.Non_Recurring_Charges.pdf

Witness: Roger L. Colburn

20. Provide an updated cost justification sheet for each Meter Connection/Tapon Fee listed in North Marshall District's tariff.

Response: See the attached file titled, 20.meter_connection_expense_cost-justification.pdf

Witness: Roger L. Colburn

21. Refer to the Application, Attachment 4, Schedule of Adjusted Operations, provide a detailed itemization of the charges that are included:

a. In the Miscellaneous Service Revenues of \$16,249.

Response: See the attached file titled, 21.(a) NMWD Misc Service Revenues.xlsx

Witness: Roger L. Colburn

b. In the Other Operating Revenues of \$68,177.

Response: See the attached file titled, 21.(b) NMWD Other Operating Revenues.xlsx

Witness: Roger L. Colburn