

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

ELECTRONIC APPLICATION OF NEBO	)	CASE NO.
WATER DISTRICT FOR AN ALTERNATIVE RATE	)	2024-00002
ADJUSTMENT PURSUANT TO 807 KAR 5:076	)	

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**VERIFICATION OF VALERIE COFFMAN**

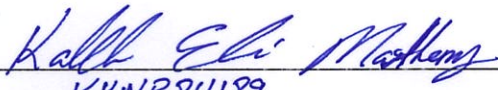
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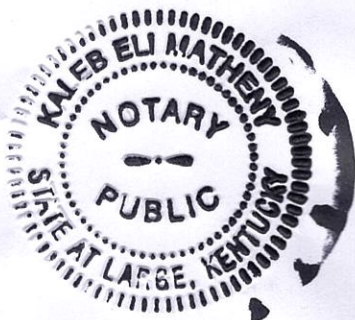
COMMONWEALTH OF KENTUCKY    )  
  )  
COUNTY OF   HOPKINS              )

Valerie Coffman, on behalf of Nebo Water District, states that she 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 therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

  
\_\_\_\_\_  
Valerie Coffman

The foregoing Verification was signed, acknowledged and sworn to before me this   2   day of April 2024, by Valerie Coffman.

  
\_\_\_\_\_  
KYNP84189  
Commission expiration:   01/07/2028  





**Nebo Water District**  
**Case No. 2024-00002**  
**Commission Staff's First Request for Information**

**Witnesses:** Valerie Coffman #1a-d, 2-8, 10-14, 15 a-b, 16-17, and 20-25  
Ariel Baker #1e, 9, 15c, 18, and 19

1. 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 for the years ended December 31, 2022 and 2023.

**Response:**

Please reference the below file for this information:

Item #1a 2022 General Ledger.xlsx  
Item #1a 2023 General Ledger.xlsx

b. The trial balance in Excel spreadsheet format for the years ended December 31, 2022 and 2023 for.

**Response:**

Please reference the below files for this information:

Item #1b 2022 Trial Balance.xlsx  
Item #1b 2023 Trial Balance.xlsx

c. The audit adjustments for the years ended December 31, 2022, and 2023.

**Response:**

Please reference the below files for this information:

Item #1c 2022 Audit Adjustments.pdf

There are no audit adjustments for 2023, as the audit has not yet been completed.

- d. The adjusted trial balance audited balances for the years ended December 31, 2022, and December 31, 2023.

**Response:** Please reference the below document:

Item #1d 2022 Adjusted Trial Balance.xlsx

Please note that the audit has not yet been completed for 2023, so there is no adjusted trial balance for 2023.

- e. Refer to Application Schedule of Adjusted Operations. Provided a cross reference that matches each 2022 general ledger account to each revenue and expense line in the Schedule of Adjusted Operations and reconcile each amount that does not match.

**Response:** Please reference the document entitled Item #9 Rate Study Nebo Water District.xlsx, specifically the tab labeled "AR to ATB." Note, there appears to be a net discrepancy of \$254 between the adjusted trial balance and that 2022 audit/annual report. Nebo District cannot explain this discrepancy but would state that it is de minimus.

2. Provide certificates of insurance and most recent invoices for general liability, workers' compensation, automobile, property, and casualty for the years ended December 31, 2023, and currently.

**Response:** Please reference the below PDF for this information.

Item #2 Insurance.pdf

3. Provide a description of all employee benefits, other than salaries and wages, paid to or on behalf of each employee for the calendar years 2022 and currently paid. Supplemental coverage for which the employee pays 100 percent of the cost should also be included. Employee names should be redacted from all documents.

**Response:** Please reference the below file for this information.

Item #3 Nebo Water District Employee Benefits.docx

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

**Response:** Please reference Item #4 Recent Invoices.pdf for this information.

5. Using a table format, provide an Excel spreadsheet with all formulas, rows, and columns fully accessible and unprotected that lists each position (Position 1, Position 2, etc.) job titles, hours worked, pay rates, total wages paid, and total FICA cost for each employee for the years ended December 31, 2022, and 2023. Additionally, provide calculations by employee that support pro forma wages of \$248,267. 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. The table should include a column for total wages by employee (regular wages and overtime) and a row for total wages for all employees. Employee names should be redacted from all documents.

**Response:** Please reference the below document for this information.

Item #5 2022 and 2023 Wage Report.xlsx



6. Using the same table that lists each position and wage information, list each employee benefit (medical, dental, life, and others), the employee's contribution, the employer premium contribution, and the adjustment based on Bureau of Labor Statistics (BLS) contribution rates if applicable. If health insurance is provided designate that coverage type (i.e., single, family, couple, or parent plus). If benefits other than medical insurance are provided, include a total column for the cost of all benefits excluding the BLS adjustment.

**Response:** Please refer to Item #5 2022 and 2023 Wage Report.xls for this information.

7. Provide the following information related to billing software:

a. Brand or common name for software.

**Response:** Alliance by United Systems & Software

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

**Response:** Locally installed on utility-owned computers.

c. If locally installed, state the installation date.

**Response:** Originally installed June 2014, but on the current computers it was installed on October 2020 with yearly updates.

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

**Response:** Yes, still serviced by the manufacturer. Nebo District has a service contract with them.

8. Provide minutes from Nebo District's board of commissioner (Board) meetings, authorizing current salaries and wages for all current employees.

**Response:**

Please see Item #8 Employee Raises.pdf.

9. Refer to the Application, Schedule of Adjusted Operations, Adjustment References. Provide all workpapers used to generate the proposed adjustments.

**Response:**

Please reference the file Item #9 Rate Study Nebo Water District.xlsx for this information.

10. Provide the minutes from Nebo District's Board meetings for the calendar years 2022 and 2023.

**Response:**

Please see attached to this filing:

Item #10 Board Minutes 2022 and 2023.pdf

11. Provide a document listing the name of each member of the Board for each of the calendar years 2022 and 2023 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:**

Please see Item #11 Commissioners Wages & Benefits.pdf. Please note that the commissioners only receive their salary, no other benefits.

12. Provide the Fiscal Court that authorizes each Board member's appointment and compensation.

**Response:**

Please see attached to this filing:

Item #12 Fiscal Court Minutes.pdf

13. Provide training records for each Board member's initial training and for 2022 and 2023.

**Response:** Please see attached to this filing:

Item #13 Training Records.pdf



14. Provide full asset listing for the calendar years 2021, 2022, and 2023.

**Response:** Please see the below referenced documents for this information. Note the depreciation schedule for 2023 is not yet available.

Item #14 Depreciation Schedule 2018-2021.xlsx

Item #14 Depreciation Schedule 2022.pdf

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

- a. Number of installations during the test year.

**Response:** In 2022, the total number of installations is 11.

- 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:** The cost of labor for additions to the water plant constructed by the District's employees is not capitalized.

- c. State whether the 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:** The cost of current repair and maintenance is charged to expense, which the cost of replacements or betterments is capitalized.

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

**Response:** Please refer to the following documents for Nebo District's water loss reduction plan and its 2023 water loss reports.

Item #16 Water Loss Reduction Plan.pdf

Item #16 2023 Water Loss Monthly Reports.pdf

17. Refer to Nebo District's Tariff, PSC Ky. No. 2, Original Sheet No. 11, Billing, Meter Readings and Related Information, Frequency of meter reading.

a. Provide the date that Nebo District's billing cycle begins (meter read date).

**Response:** Route 1 is read on the 1<sup>st</sup> of every month, unless the 1<sup>st</sup> falls on a weekend or holiday, then the route is read on the next business day.

Route 2 is read on the 10<sup>th</sup> of every month, unless the 10<sup>th</sup> falls on a weekend or holiday, then the route is read on the next business day.

Route 3 is read on the 20<sup>th</sup> of every month, unless the 20<sup>th</sup> falls on a weekend or holiday, then the route is read on the next business day.

b. 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:** The best effective date for any future order concerning rates would be best stated after the 20<sup>th</sup> of the month.

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

**Response:**

- a. Explain whether Nebo District considered filing a COSS with the current rate application and the reasoning for not filing one.

**Response:** Nebo District did not consider filing a COSS with the current rate application. Nebo District believes that its rate structure is adequate and an across the board increase is reasonable.

- b. Explain whether any material changes to Nebo District's system would cause a new COSS to be prepared since the last time it completed one.

**Response:**

There have been no material changes to Nebo District's system that would warrant a new COSS to be prepared.

- c. If there have been no material changes to Nebo District's system, explain when Nebo District anticipates completing a new COSS.

**Response:**

Nebo District has new future plans to complete a new COSS.

- d. Provide a copy of the most recent COSS that has been performed for Nebo District system in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

**Response:**

Nebo District does not have records indicating when the last COSS was performed.

19. Refer to the Application, Current Billing Analysis 2022 Usage and Existing Rates and Proposed Billing Analysis 2022 Usage and Proposed Rates. Provide the Billing Analysis in Excel Spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

**Response:**

Please refer to the document entitled Item #9 Rate Study Nebo Water District.xlsx for this information.

20. Provide the number of occurrences and dollar amounts for late fees that were recorded during the calendar years 2022 and 2023.

**Response:**

2022

There were 3,232 late fees that occurred totaling in the amount of \$14,309.28

2023

There were 3,166 late fees that occurred totaling in the amount of \$14,590.61

21. Provide a schedule listing the number of occurrences for each nonrecurring charge that were recorded during the test year, 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:**

<b>Nonrecurring Charge</b>	<b>Number of Occurrences</b>	<b>Total Amount Recorded for 2022</b>	<b>General Ledger Account</b>
Service Call	20	\$500.00	00471-0000
Meter Test	1	\$15.00	00400-0002
Reconnection for Non-Payment	139	\$3,700.00 (130 @ \$25: 9 @ \$50)	00400-0004
Bills Paid at Customer's Door	15	\$225.00	00400-0002
Meter Lid Charge	1	\$50.94	00471-0000
Moving Meter	0	0	00400-0002
Returned Check	8	\$280.00	00400-0006
Service Line Inspection	0	0	00400-0002
Turn-On Charge	100	\$2,500.00	00400-0003



22. Provide updated cost justification sheets to support each nonrecurring charge listed in Nebo District's tariff.

**Response:** Please reference to following documents for this information:

Item #22 After Hours Service Calls Cost Justification.pdf

Item #22 Bills Paid at Door Cost Justification.pdf

Item #22 Meter Lid Charge Cost Justification.pdf

Item #22 Meter Test Cost Justification.pdf

Item #22 Regular Hrs Service Calls Cost Justification.pdf

Item #22 Returned Check Charge Cost Justification.pdf

23. Provide updated cost justification sheets to support each Meter Connection/Tap-on Charge listed in Lyon District's water tariff and sewer tariff.

**Response:** Please reference the following documents for this information:

Item #23 5-8x3-4 Meter Connection Cost Justification.pdf

Item #23 Moving Meter Cost Justification.pdf

24. Refer to the Application, Attachment 3, Current and Proposed Monthly Rates, and the current tariff on file with the Commission. Explain where the 3-inch meter tier is not included in the Current and Proposed rate schedule.

**Response:** The billing analysis did not have any data for 3-inch meters. As a result, the proposed rate schedule for 3-inch meters was inadvertently not included. Nebo District respectfully requests the rates for the 3-inch meter class be increased proportionally to the increase for all other rate classes in any order in this proceeding.

25. Refer to the Application, Attachment 5, Current Billing Analysis. Provide the meter size of the Fire Hydrant section.

**Response:** The meter size of the Fire Hydrant section is 2-inch.