

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING) CASE NO.
NORTH NELSON WATER DISTRICT) 2024-00234

VERIFICATION OF COLIN S. CISSELL

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF Nelson)

Colin S. Cissell, Manager of North Nelson 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.

Colin S. Cissell

Colin S. Cissell

The foregoing Verification was signed, acknowledged and sworn to before this 8th day of October, 2024. By Colin S. Cissell.

Susan E. Duncan

Commission expiration: 05/23/2026

NORTH NELSON WATER DISTRICT
CASE NO. 2024-00234 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 fully accessible and unprotected. Employee names should be redacted from all documents.

a. The 2024 general ledger in Excel spreadsheet format with all transactions through July 31, 2024.

Response: See the attached file titled, 1_a_Jan thru July 2024 General Ledger.xls

Witness: Colin S. Cissell

b. The trial balances in Excel spreadsheet format for the year ended December 31, 2023, and year-to-date July 31, 2024.

Response: See the attached files titled, 1_b_2023 Trial Balance.xls and 1_b_Jan thru July 2024 Trial Balance.xls.

Witness: Colin S. Cissell

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: See attached file titled, 1_c_Cross Reference.xls

Witness: Colin S. Cissell

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

a. State whether the billing software and general ledger/financial management software are separate or integrated.

Response: Separate

Witness: Colin S. Cissell

b. Brand or common name for software.

Response: Billing Software – Software Solutions EGov; General Ledger/Financial software – Intuit QuickBooks Desktop Pro

Witness: Colin S. Cissell.

c. 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 a utility-owned computer

Witness: Colin S. Cissell

d. If locally installed, state the installation date.

Response: Software Solutions EGov – installed 9/30/2010; Intuit QuickBooks Desktop Pro – 5/26/2012

Witness: Colin S. Cissell

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

Response: Our System is serviced by a contracted IT company. Software Solutions subscription fee does include an annual onsite maintenance visit.

Witness: Colin S. Cissell

3. Refer to North Nelson's Application, Rate Study, Wages tab.

a. Confirm that no overtime hours were worked by North Nelson's

employees. If not confirmed, explain the response.

Response: No overtime hours were paid in 2023.

Witness: Colin S. Cissell

b. Provide the dates each employee was hired and, if applicable, the employee's termination date. Employee names should be redacted from all documents.

Response: See the attached file titled, 3_b_Employee Hire dates.xlsx

Witness: Colin S. Cissell

4. Provide a complete description of all employee benefits paid to or on behalf of each employee for the calendar year 2023. Include a description of contribution amounts required by employees. Supplemental coverage for which the employee pays 100 percent of the cost should also be included. Employee names should be redacted from all documents. Provide a copy of one invoice for 2024 for each employee benefit described.

Response: See the attached file titled, 4_Employee Paid supplemental benefits.pdf. These are in addition to document, Medical Insurance Adjustment, that was submitted with our Case filing.

Witness: Colin S. Cissell

5. Provide certificates of insurance and most recent invoices for general liability, workers' compensation, automobile, property, and casualty for 2022 and 2023.

Response: See the attached files titled, 5_GL Auto etc Ins Certs and Invoices.pdf and 5_Workers Comp Ins Certs and Invoices.pdf

Witness: Colin S. Cissell

6. Provide the minutes from North Nelson District's commissioner meetings for the calendar years 2022, 2023, and year-to-date July 2024.

- a. Designate each action that authorizes hiring. **Reference Meeting Minutes dated 3/2022, 4/2022 and 4/2023**
- b. Designate each action that authorizes adjustments to wage rates – and any other compensation actions. **Reference Meeting Minutes dated 6/2022, 3/2023, 6/2023 and 6/2024**

Response: See the attached files titled, 6_2022 Meeting Minutes.pdf, 6_2023 Meeting Minutes.pdf, 6_2024 Meeting Minutes thru 7.2024.pdf

Witness: Colin S. Cissell

7. Refer to North Nelson District's Application, Rate Study, Wages Tab. Confirm that no salaries or benefits are offered for Commissioners. If not confirmed, explain the response.

a. Provide documentation from the Fiscal Court that authorizes each Commissioner's appointment and compensation.

Response: The three Commissioners receive \$2,400 in compensation each annually, the total \$7,200 amount is reflected in the Rate Study, Wages Tab. Our records indicate this amount has been in effect since prior to 1995. See the attached file titled, 7_a_Commissioners Appointments.pdf

Witness: Colin S. Cissell

b. Provide training records for each Commissioner for 2022, 2023, and 2024.

Response: See the attached file titled, 7_b_Commissioner Training Certs.pdf

Witness: Colin S. Cissell

8. Refer to North Nelson District's Tariff, PSC Ky. No. 1, 1st. Revised Sheet No. 6, Rules & Regulations, Service Information.

a. Confirm the date that North Nelson District's billing cycle begins (meter read date).

Response: Meters read after the 20th of each month

Witness: Colin S. Cissell

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: NNWD requested in it's application cover letter, for the Public Service Commission, in it's final order in this matter, to approve the proposed increase in rates effective the 20th of the month.

Witness: Colin S. Cissell

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

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

Response: The District is not proposing a revision to its current rate design and has not experienced any material revisions in its operations of the system, no benefit would be gained by the preparation of a COSS.

Witness: Colin S. Cissell

b. Explain whether any material changes to North Nelson District's

system would cause a new COSS to be prepared since the last time it completed one.
Response: The District is a rural water system, providing water predominately to residential customers. The District is in the planning stages to expand the operations of the system and provide water on a wholesale basis. This change in operations will likely necessitate the preparations of a COSS in the future.

Witness: Colin S. Cissell

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

Response: There have been no material revisions in the current operations of the system. When planned revisions in the operations of the system come to fruition the District anticipates filing an application to adjust rates containing a COSS.

Witness: Colin S. Cissell

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

Response: The District is unaware of a COSS being performed for the utility.

Witness: Colin S. Cissell

10. Refer to the Application, Current Billing Analysis 2023 Usage and Existing Rates and Proposed Billing Analysis 2023 Usage and Proposed Rates.

a. Provide the billing analysis in Excel Spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

Response: See the application attachment 10 2, attached file titled: 10_2_North_Nelson_Rate_Study.xlsx, Tab ExBA

Witness: Colin S. Cissell

b. Describe adjustments to the billing analysis and a justification for each.

Response: NNWD Code B is for leak adjustments. See the attached file titled 10_b_Code B_Adj Report NNWD.pdf

Witness: Colin S. Cissell

11. Refer to the Application, Schedule of Adjusted Operations, provide a reconciliation of Miscellaneous Service Revenues to the test year general ledger. For amounts other than forfeited discounts, state whether each item is a recurring source of revenue.

Response: Miscellaneous Service Revenues for 2023 were for forfeited discounts. See attached file, 11_Misc Service Revenues 2023.xls

Witness: Colin S. Cissell

12. Provide the number of occurrences for late fees that were recorded during the calendar years 2023.

Response: 7,212 Late fees charged in 2023

Witness: Colin S. Cissell

13. 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, 13_NRC 2023 charges.xlsx

Witness: Colin S. Cissell

14. Provide updated cost justification sheets to support each nonrecurring

charge listed in North Nelson District's tariff.

Response: See the attached file titled, 14_NRC cost justification.pdf

Witness: Colin S. Cissell

15. Provide updated cost justification sheets to support each Meter Connection/Tap-on Charge listed in North Nelson District's tariff.

Response: See the attached file titled, 15_Std Meter cost justification sheet.pdf

Witness: Colin S. Cissell

16. Refer to North Nelson's Application, 2023 general ledger, account number 62000 - Materials. The account activity includes the following items:

| | | | | | |
|-------------|--|---------------------------|-----------------|-----------------|---------------|
| Date | Name | Memo | Amount | 06/27/23 | SEILER |
| | INSTRUMENTS & MFG. CO. INC. | Inv# INV8557 | Sales | | |
| | Order# SO8287 | Trimble GPS System | 6,250.70 | | |

a. Provide a copy of each invoice for the amount recorded.

Response: See File 16_a_Seiler Invoice.pdf

Witness: Colin S. Cissell

b. Describe the item(s) purchased and state whether the purchase(s) should have been capitalized.

Response: See File 16_b_c_d Seiler Invoice review.xlsx

Witness: Colin S. Cissell

c. If North Nelson District believes the classification as an expense is proper, explain the reasoning.

Response: See File 16_b_c_d Seiler Invoice review.xlsx

Witness: Colin S. Cissell

d. If the item should have been capitalized, provide the appropriate NARUC depreciation.

Response: See File 16_b_c_d Seiler Invoice review.xlsx

Witness: Colin S. Cissell

17. Refer to North Nelson's Application, 2023 general ledger, account number 63500 – Contracted Services.

| Date | Name | Memo | Amount |
|----------|-----------------------------|---|-----------|
| 01/31/23 | BUILD ONE INC. | Jan. Installs/Repairs | 1,857.50 |
| 02/28/23 | BUILD ONE INC. | Feb. Meter Installs/repairs | 10,607.50 |
| 03/31/23 | BUILD ONE INC. | March leak repairs | 1,110.00 |
| 04/28/23 | BUILD ONE INC. | April Meter installs/repairs | 6,752.00 |
| 05/26/23 | BUILD ONE INC. | May meter installs/repairs | 4,440.00 |
| 07/31/23 | BUILD ONE INC. | June/July Meter installs/repairs | 10,652.00 |
| 10/31/23 | BUILD ONE INC. | Sept./Oct. repairs/meter installs | 17,840.00 |
| 11/10/23 | Argenbright Dirt Works, LLC | Inv# 4705 Hibbs Lane 4" Water Main Relocation | 3,760.00 |
| 11/30/23 | BUILD ONE INC. | Nov. meter installs/repairs | 4,020.00 |
| 12/29/23 | BUILD ONE INC. | Dec. Meter installs/repairs | 2,360.00 |

a. Provide a copy of each invoice for the amount recorded.

Response: See the attached files titled, 17_a_Build One Invoices.pdf and 17_a_Argenbright Invoice.pdf

Witness: Colin S. Cissell

b. Describe the item(s) purchased and state whether the purchase should have been capitalized.

Response: See File 17_b_c_d Build One and Argenbright Invoice reviews.xlsx

Witness: Colin S. Cissell

c. If North Nelson District believes the classification as an expense is proper, explain the reasoning.

Response: See File 17_b_c_d Build One and Argenbright Invoice reviews.xlsx

Witness: Colin S. Cissell

d. If the item should have been capitalized, provide the appropriate NARUC depreciation.

Response: N/A based on File 17_b_c_d Build One and Argenbright Invoice reviews.xlsx

Witness: Colin S. Cissell