

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF NORTHEAST)	
WOODFORD COUNTY WATER DISTRICT)	Case. No.
FOR A RATE ADJUSTMENT PURSUANT TO)	2025-00347
807 KAR 5:076)	

RESPONSE OF NORTHEAST WOODFORD COUNTY WATER
DISTRICT TO THE COMMISSION STAFF'S THIRD REQUEST
FOR INFORMATION DATED FEBRUARY 9, 2026

NORTHEAST WOODFORD COUNTY WATER DISTRICT
CASE NO. 2025-00347
COMMISSION STAFF'S THIRD REQUEST FOR
INFORMATION DATED FEBRUARY 9, 2026

Witness: Mary Shryock

1. Refer to the Application, Attachment 4, 4_SAO_-With_Attachments.pdf, Schedule of Adjusted Operations (SAO), Adjustment E. The Master Agreement with United Systems Software, Inc. was signed on June 20, 2024, and the billing system was installed in May 2025. Identify when the contract was placed into effect and when Northeast Woodford District began paying the \$1,724 monthly Contract Fee

Response: United Systems began providing its services to Northeast Woodford District in June 2025 which was paid for in July 2025.

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2. Refer to Northeast Woodford District's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 3, 3_NWCWD_Rate_Model.xlsx, ExBa tab, row 26. Also refer to Northeast Woodford District's 2024 Annual Report, page 49. In the Annual Report, Northeast Woodford District has one commercial customer, with the remaining classified as residential customers.
 - a. In the billing analysis, Northeast Woodford District has 132² customers using 119,980,000 gallons annually, provide an explanation why these 132 customers have an approximate average of 75,745 gallons a month.³ Explain whether the usage is business related rather than residential usage.

Response: Northeast Woodford District provides water service to several farms including horse farms. Generally the farms that Northeast Woodford District provides water service to receive their water service through multiple meters.

- b. Identify if any of the 5/8- x 3/4-inch meter customers should be classified as a commercial, industrial, or Multiple Family Dwelling.

Response: Northeast Woodford District does not believe that any of its customers should be reclassified. As with the majority of the other water utilities operating in Kentucky, Northeast Woodford District's water rates are based on meter size and not the customer classification.

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3. Refer to Northeast Woodford District's response to Commission Staff's First Request for Information (Staff's First Request), Item 3b, 3b_NWCWD_TB_Trial_Balance_2024.xlsx, Row 118, Account 4200 Tap Fees.
 - a. Confirm Northeast Woodford District is charging the tariff amount of \$1,367 for installation of 5/8- x 3/4-Inch Meter and \$1,668 for installation of 1-Inch Meter. If not, provide the amount charged to install the different meter sizes

Response: Northeast Woodford District charged the tariffed tap-on fee for 1-Inch Meters of \$1,668. While the tariffed tap-on charge for 5/8x3/4-Inch meter is \$1,367, in 2024 Northeast Woodford District charged a tap-on fee of \$1,358.

- b. Provide a breakdown of the charges that makes up the \$11,056 test year amount.

Response:

Customer	Number of Taps	Meter Size	Tap-On Fees Collected
Midway Venture	2	1-Inch Meter	\$ 3,336.00
Dalton	1	1-Inch Meter	1,668.00
Woodlake	1	5/8 Inch Meter	1,358.00
Big Sink	1	1-Inch Meter	1,668.00
Russell	1	5/8 Inch Meter	1,358.00
Lanes End	1	1-Inch Meter	1,668.00
			\$ 11,056.00

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4. Refer to Northeast Woodford District’s response to Staff’s Second Request, Item 3, 3_NWCWD_Rate_Model.xlsx, Meter Installations tab, Cost Justification Sheets- Case 2021-00221. Also refer to the Dep Adj – Full Year tab, Row 61. In the cost justification table, the total material cost for the new meters installed during the test year is \$16,937. Explain whether Northeast Woodford District capitalized the full amount, if it capitalized \$6,386 shown in the Depreciation table or capitalized another amount.

Response: There was a miscommunication between the Kentucky Rural Water Association’s consultant and Northeast Water District concerning the number of new meter installation that were made in 2024. The consultant assumed that the 19 meters installed in 2024 were all for new services. However, Northeast Woodford District has since explained that it did install 19 meters (12 5/8-Inch meters and 7 1-Inch Meters) in 2024, but that only 7 meters were for new installations. The remaining 12 meters were installed to replace meters that were malfunctioning.

	Number of Meters	Cost per Meter	Total
5/8" meters	12	271	3,252
1" Meters	4	371	1,484
1" Meters	3	550	1,650
	19	1,192	6,386

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5. Refer to the Application, Attachment 4, 4_SAO_-With_Attachments.pdf, SAO, Adjustment D.

a. Confirm Northeast Woodford District has already removed the \$6,386 material from the Materials and Supplies expense. If not confirmed, explain the response.

Response: Dale Gatewood tracked the actual cost of all of the meters that Northeast Woodford District installed in 2024. The actual cost of each meter installed was recorded as a capital cost at the time of installation. Refer to Northeast Woodford District's response to Item 4.

b. Confirm Gatewood Water Service is the contractor who performs the installations of new meters. If not, identify the contractor.

Response: Northeast Woodford District confirms that Gatewood Water Service performs all of its meter installations.

c. Confirm whether the contractor performs the installations as part of an existing contract or if they charge per installation. If not confirmed, explain what labor is performed by the contractor.

Response: As confirmed by the written Agreement provided in Northeast Woodford District's response to Item 7, the monthly contact fee does not include the cost to install meters.

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6. Refer to Northeast Woodford District's 2024 Annual Report, page 49. Also refer to Northeast Woodford District's response to Staff's Second Request for Information (Staff's Second Request), Item 3, 3_NWCWDI_Rate_Model.xlsx, PropBA tab Billing Analysis – 2024 Usage table, Cell F10. In the annual report Northeast Woodford District reported 1,025 customers. In the Billing Analysis, Northeast Woodford District reported 914 customers. Reconcile the difference in customer count between the Annual Report and the Billing Analysis and confirm the correct customer count

Response: Northeast Woodford District is unable to reconcile its billing analysis to the number of customers reported in the 2024 Annual Report. During any calendar year the number of customers receiving service fluctuates from month to month. The billing analysis is based upon the number of bills Northeast Woodford District actually mailed to its customers in 2024 and it reflects any monthly customer fluctuation. The customer billing records support Northeast Woodford District's billing analysis.

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7. Refer to Northeast Woodford District's Response to Staff's First Request for Information, Item 3b, 3b_NWCWD_TB_Trial_Balance_2024.xlsx, Row 138, Account 5024 Gatewood Water. Provide a complete copy of the current agreement or contract between Northeast Woodford District and Gatewood Water, including any appendices, exhibits, and documents incorporated by reference.

Response: Prior to January 6, 2026, Gatewood Water Service and Northeast Woodford District did not have a written agreement. Gatewood Water Service provided the attached Agreement to outline the services that they provide to Northeast Woodford District for the fixed monthly rate and those services that are not covered. Please note beginning in January 2026 the monthly fee increased from \$4,675 (Response to Commission Staff RFI-1, See file: 3a_NWCWD_2024_General_Ledger_Recap) to \$5,376.
See file: 7_Dale_Gatewood_Northeast_Woodford_Contract

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8. Refer to Northeast Woodford District's response to Staff's First Request, Item 3b, 3b_NWCWD_TB_Trial_Balance_2024.xlsx, Row 141, Account 2026 Bookkeeping. Provide a complete copy of the Utility Process Management Master Agreement that was in effect during the test year prior to the contract dated June 20, 2024. Including any appendices, exhibits, and documents incorporated by reference..

Response: .A Utility Process Management Master Agreement was not in effect in 2024. The costs reported in 2024 represented the cost to print and mail each monthly customer bills.

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9. Refer to Northeast Woodford District's response to Staff's Second Request, Item 3, 3_NWCWD_Rate_Model.xlsx. Explain the difference in gallons sold between the existing billing analysis and the proposed billing analysis. Provide support for any adjustment that is required for the number of gallons sold.

Response: The existing billing analysis is correct, so it does not require an adjustment. In preparing the billing analysis a correction was made to the analysis for the existing rates that was not made to the proposed rate analysis. The gallons reported for the 1-Inch meter has been corrected in the attached file. The corrected billing analysis for the proposed rates shows that the proposed water rates are reasonable.
See file: 9_Billing_Analysis_Proposed_BA_Corrected.

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10. Refer to Northeast Woodford District's response to Staff's Second Request, Item 4. Northeast Woodford District listed Fire Hydrants – Merry Meadows as a recurring revenue within Other Water Revenues. However, Fire Hydrants are not listed in Northeast Woodford District's tariff as a charge. Explain whether Fire Hydrants – Merry Meadows is meant to be a recurring revenue within Other Water Revenues or whether it should be reported as Water Sales..

Response: The Commission Staff is correct that Northeast Woodford District does not currently have a tariffed charge for providing fire hydrants. There is a regulation in Woodford County Zoning that if you want to change a plat and there is available water to support a fire hydrant then the person filing the plat must pay for the total cost (labor & materials) of setting the fire hydrant. The fire hydrant charge in question is for the cost to install a fire hydrant and should be classified as nonrecurring revenue.

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11. Refer to Northeast Woodford District's response to Staff's First Request, Item 10a. Also Refer to Northeast Woodford District's response to Staff's Second Request, Item 6. Northeast Woodford District confirmed that it has no employees, and Dale Gatewood of Gatewood Water Service performs all operations and maintenance on the distribution system. Explain whether Dale Gatewood of Gatewood Water Service also performs the labor related to nonrecurring charges including Turn-On Charge and Returned Check charge.

References: Gatewood Water Service perform all of the labor related to Northeast Woodford District's nonrecurring charges.