

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF	)	CASE NO.
NORTH LOGAN WATER DISTRICT	)	2026-00195

RESPONSE OF NORTH LOGAN WATER DISTRICT
TO THE COMMISSION STAFF'S INITIAL REQUEST FOR
INFORMATION DATED SEPTEMBER 4, 2026

North Logan Water District
Case No. 2026-00195
Commission Staff's First Request for Information

1. Provide the following information related to billing software:
 - a. Brand or common name for software.
 - b. State whether the software is locally installed on a utility-owned computer or is a subscription service that is internet based.
 - c. If locally installed, state the installation date.
 - d. State whether the system is still serviced by the manufacturer and whether the utility maintains a service contract.

Response to Question 1:

- a. The billing software is called AS400.
 - b. The city of Russellville's water department performs the billing for North Logan Water District. The software is installed on the city's computers.
 - c. *See 1b. response.
 - d. The billing software is not serviced by the manufacturer. The IT department in the city of Russellville maintains the software.
2. Provide the following information related to general ledger software:
 - a. State if the billing software and general ledger software are integrated.
 - b. Brand or common name for software.
 - c. State whether the software is locally installed on a utility-owned computer or is a subscription service that is internet based.

- d. If locally installed, state the installation date.
- e. State whether the system is still serviced by the manufacturer and whether the utility maintains a service contract.

Response to Question 2:

- a. The billing software and general ledger software are not integrated.
See response to Question 1b.

- b. North Logan uses QuickBooks for its financial software.
- c. It is a subscription service that is an online service.
- d. *See 2c.
- e. The system is still serviced by the manufacturer, and the utility maintains a service contract.

3. 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.

- a. The general ledger with all transactions for the year ended December 31, 2025, and year-to-date 2026.
- b. The trial balance in Excel spreadsheet format for the year ended December 31, 2025, and year-to-date 2026.
- 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 (SAO) and reconcile amounts that do not match the respective SAO line item.

Response to Question 3:

- a. See files - NLWD_DR3a_GL2025
NLWD_DR3a_GL2026
- b. See files - NLWD_DR3b_TB2025
NLWD_DR3b_TB2026
- c.

4. Refer to the Application, Attachment #7, Depreciation Expense Table.

Provide the Report in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

Response to Question 4:

See file - NLWD_DR1_4_Depreciation

5. Refer to the Application, Attachment #4, SAO and Adjustment References, and Attachment #5, Revenue Requirements Calculation. Provide all schedules used to support each proposed adjustment in Excel format. Component details of each schedule should tie to the general ledger accounts that comprise the test year SAO line item including any adjustment for unreconciled amounts.

Response to Question 5:

See file - NLWD_(2025TY)_WP

6. Refer to Application, Attachment #4, SAO, and Attachment #6, Current Billing Analysis – 2025 Existing Rates (Current Billing Analysis). North Logan District #1 did not propose any adjustments to the proforma operating revenues for Metered Water Sales and Sales for Resale in the SAO even though the Current Billing Analysis produces

higher revenues from Water Sales compared to the Test Year.

a. Explain why North Logan District #1 did not propose any adjustments based on the Current Billing Analysis results.

b. State whether the Operating Revenues component of the SAO needs revision. If yes, provide updated SAO and Revenue Requirement Calculation forms.

Response to Question 6:

a. In the Excel workpapers a cell reference was allocated improperly. North Logan has corrected the cell reference.

See file - NLWD_(2025TY)_WP

b. Yes.

See file - AttachmentRR-OR_NLWD_TY2025_DR1_6b

AttachmentSAO-W_NLWD_TY2025_DR1_6b

7. Refer to Application, Attachment #6, Current Billing Analysis. Also refer to North Logan District #1's Annual Report for year 2025. The Current Billing Analysis states that 49,575,180 gallons were sold, while the 2025 Annual Report reports 50,468,000 gallons were sold which results in a difference of 892,820 gallons. Reconcile and explain the difference.

Response to Question 7:

North Logan questioned their auditor regarding the differences between the Billing Analysis and Annual Report gallons sold. Their auditor was unable to reconcile the difference but stated that it is more than likely a timing issue.

8. Refer to the Application, Attachment 6, Current Billing Analysis – 2025

Usage and Existing Rates and Proposed Billing Analysis – 2025 Usage and Proposed Rates. Provide the billing analysis in Excel Spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

Response to Question 8:

See file - NLWD_(2025TY)_WP

9. Refer to the Application, Attachment 6, Current Billing Analysis – 2025 Usage and Existing Rates. Explain whether North Logan District #1 provided to customers any leak adjustments or billing adjustments that were not applied to the billing analysis. If so, please provide a detailed list of the adjustments with supporting documentation.

Response to Question 9:

North Logan did not incur any leak or billing adjustments during the test year.

10. Refer to the Application, Attachment #4, SAO.

a. Provide a detailed explanation of the unmetered water sales of \$70,510.

b. Explain how North Logan District #1 accounts for the unmetered gallons.

Response to Question 10:

a. North Logan's auditor stated that the \$70,510 listed in the PSC's Annual Report is not "unmetered water". It is "metered water". They stated that the last metered water bill in 2025 was included in A/R at 12/31/2025. North Logan's auditor stated that they will make a note in their records going forward

and include it in metered water sales.

b. See response to 10a.

11. Refer to the Application, Attachment #4, SAO. Provide an itemization of the Other Water Revenues of \$11,544 and state whether each component will recur.

Response to Question 11:

The “Other Water Revenues” amount of \$11,544 is a combination of late payment penalties, returned check fees, turn on fees, disconnection fees, etc.

The amount is a combination of North Logan’s Service Charge and Penalty Income revenue accounts.

12. 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, pay rates, and match cost for each employee for the year ended December 31, 2025. 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. Employee names should be redacted from all documents.

a. Provide calculations by employee that support pro forma wages of \$139,184. This may be provided as a separate table or combined with the table above. Include hours worked, any bonus payments, total wages paid, and total FICA (both social security and Medicare) 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.

b. State whether yearly hours for full-time employees are 1950 hours

(37.5 weekly) or 2080 hours (40 weekly).

c. For any part-time employees, state how many weekly hours a part-time employee is expected to work.

d. Provide a summary of overtime hours worked and costs due to vacant positions and, thus, will be eliminated when the vacant positions are filled.

e. For any bonuses, provide written personnel policies including a description of the measurement determinates.

Response to Question 12:

a. See file - NLWD_(2025TY)_WP

NLWD_DR1_12

b. Yearly hours are 2080 hours for full-time employees. North Logan currently has 2 employees, both of which are salary and on call 24 hours a day.

c. North Logan does not have part-time employees.

d. See response 12b.

e. See file - NLWD_DR1_12

13. Provide a complete description of each employee benefit, paid to or on behalf of each employee for test year 2025. Supplemental coverage for which the employee pays 100 percent of the cost should also be included.

a. Provide a copy of one invoice for 2025 for each employee benefit described above.

b. State whether there were any significant changes to any benefit coverage described above subsequent to the test year.

c. Provide a copy of the most recent invoice for each employee benefit

described above.

Response to Question 13:

- a. See file - NLWD_DR1_12
- b. See file - NLWD_DR1_12
- c. See file - NLWD_DR1_12

14. Provide certificates of insurance and most recent invoices for general liability, workers' compensation, automobile, property and casualty, and any other coverage for 2025 and 2026.

Response to Question 14:

See file - NLWD_DR_14

15. Purchased Water for 2025.

- a. Provide gallons purchased, total cost, and average unit cost by month for each supplier and in total for all suppliers.
- b. Reconcile reported gallons purchased in the annual report water statistics to the amounts reported in Item 12(a).
- c. Provide the current per gallon price for each supplier.

Response to Question 15:

- a. See file - NLWD_DR1_15
- b. See response 15a.
- c. See response 15a.

16. Provide the minutes from North Logan District #1's Board of Commissioners' meetings for calendar year 2025, and year-to-date 2026. Consider this a continuing request through the date of issuance of the Staff Report.

- a. Designate each action that authorizes hiring.
- b. Designate each action that authorizes adjustments to wage rates, any other compensation (including bonuses), or fringe benefit actions.

Response to Question 16:

- a. See file - NLWD_DR1_16
 - b. See response 16a.
- 17.** Provide a document that lists the name of each commissioner for 2025 and 2026, their term (beginning and ending), and current authorized annual compensation.
- a. State, individually, the amount of wages and each benefit (i.e., health insurance premiums, life insurance premiums, FICA taxes, etc.) paid to, or on behalf of, each commissioner for each year.
 - b. Provide documentation from the Fiscal Court that authorizes each commissioner's appointment and compensation.
 - c. Provide training records for each commissioner for 2025 and 2026 or a statement that the individual has not attended training.

Response to Question 17:

- a. See file - NLWD_DR1_17
 - b. See response 17a.
 - c. See response 17a.
- 18.** Provide the following information regarding the rate case expense.
- a. State whether North Logan District #1 plans to incur any expense related to the preparation of this rate case.
 - b. If so, provide a quote or invoice for the amount project or incurred.

c. State whether the amount projected is a fixed amount or describe what factors would cause the stated amount to increase or decrease.

d. State whether the expected rate case expense will be paid for by North Logan District #1 or a third party (i.e. grant funds).

Response to Question 18:

a. North Logan will not incur any expense related to the preparation of this rate case.

b. See Response 18a.

c. See Response 18a.

d. See Response 18a.

19. Provide the following for new tap installations.

a. Number of installations during the test year.

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.

c. State whether 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 to Question 19:

a. New installations in 2025 – 4 ea. @ \$1,100 / \$4,400

b. North Logan inquired from their auditor regarding labor and material costs for tap installations. Their response was, “The meter taps are not capitalized; they allocated to the equity account.”

c. See Response 19b.

20. Provide the date that North Logan District #1's billing cycle begins (meter read date).

Response to Question 20:

Meters are typically read anytime between the 10th and 15th. The reading date is subject to the City of Russellville having their reading system ready.

21. 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 to Question 21:

Yes, that would be the best date for the billing cycle to begin.

22. State the last time North Logan District #1 performed a cost-of-service study (COSS) to review the appropriateness of its current rates and rate design.

a. Explain whether North Logan District #1 considered filing a COSS with the current rate application and the reasoning for not filing one.

b. Explain whether any material changes to North Logan District #1's system would cause a new COSS to be prepared since the last time it completed one.

c. If there have been no material changes to North Logan District #1's system, state when North Logan District #1's anticipates completing a new COSS.

d. Provide a copy of the most recent COSS that has been performed for North Logan District #1's system in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

Response to Question 22:

a. North Logan has no records of if or when the last time a COSS was prepared.

b. See Response to 22a. There have been no material changes to North Logan's system.

c. See Response to 22a. North Logan would perform a COSS if material changes were made to its system.

d. See Response to 22a.

23. Provide the number of occurrences and dollar amount for late fees that were recorded during the test year.

Response to Question 23:

North Logan has requested this data from the city of Russellville's water department. They have not received that data at the time of filing. North Logan will file responses once that data is acquired.

24. Provide a schedule that lists the number of occurrences of each nonrecurring charge and the revenue amount that was recorded during the test year. Include nonrecurring charges for which there were no occurrences or reported revenue. Include the general ledger account numbers where each nonrecurring charge is recorded.

Response to Question 24:

Meter Test	-	0
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Returned Check	-	0
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Reconnect Fee	-	0
After Hours reconnect	-	0
Connection/Turn On	-	49@\$25/\$1225 year 2025
Connection After Hours	-	0
Meter Relocate	-	0
Service Call/Investigation	-	0
Service Call/Investigation (after hours)	-	0
Property Damage	-	1@\$325 – damaged meter
Customer Deposit	-	40@\$110

25. Provide updated cost justification sheets to support each nonrecurring charge listed in North Logan District #1's tariff.

Response to Question 25:

See file - NLWD_DR1_25

26. Provide cost justification sheets to support any proposed new nonrecurring charges.

Response to Question 26:

North Logan proposes no new nonrecurring charges.

27. Provide updated cost justification sheets to support each Meter Connection/Tap-on Charge listed in North Logan District #1's tariff.

Response to Question 27:

See response to 25.

