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September 28, 2026

Tiffany Sallee
North McLean County Water District
217 Hill Street, P.O. Box 68
Livermore, KY 42352

Re: CASE NO. 2026-00211 – Filing Deficiencies
North McLean County Water District
(Alternative Rate Filing Adjustment)

Dear Ms. Sallee:

Commission Staff has reviewed the application in the above case. This filing is rejected for the reason(s) set forth below.

Filing deficiency pursuant to:

1. 807 KAR Section 4(1)(b): Copy of all outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, and bond resolutions; Utility included an interest expense of \$2,251. Provide outstanding evidence of indebtedness related to this expense or an explanation for why no such evidence of indebtedness exists.
2. 807 KAR Section 4(1)(c): Copy of amortization schedule for each outstanding bond issuance, promissory note, and debt instrument; Provide a copy of amortization schedule for each outstanding indebtedness.
3. 807 KAR Section 4(1)(f): Detailed Analysis of Applicant's customers' bills showing revenues from present and proposed rates from each customer class (Attachment BA-DB or Attachment BA-FR is attached to ARF Form-1); Rates used in the existing billing analysis do not match the rates that are in the current tariff. Revenues from this existing billing analysis do not match the Metered Water Sales from the SAO and there is no adjustment that rectify this.

TEAM
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NORTH MCLEAN COUNTY WATER DISTRICT
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
Water sales	\$ 1,051,479	\$ 1,047,597
Penalties and miscellaneous	<u>23,315</u>	<u>22,037</u>
TOTAL OPERATING REVENUES	<u>1,074,794</u>	<u>1,069,634</u>
OPERATING EXPENSES		
Salaries and wages	289,368	282,075
Employee benefits	21,710	20,792
Depreciation	87,684	85,836
Purchased water	477,744	510,460
Purchased power	12,043	13,424
Materials and supplies	49,453	35,441
Office expenses	51,780	49,224
Contractual services	51,192	27,686
Transportation	13,345	17,562
Insurance	16,375	15,689
Miscellaneous	7,754	6,785
Payroll taxes	22,735	23,020
PSC assessment	1,706	1,627
Bad debt	<u>3,629</u>	<u>3,033</u>
TOTAL OPERATING EXPENSES	<u>1,106,518</u>	<u>1,092,654</u>
LOSS FROM OPERATIONS	<u>(31,724)</u>	<u>(23,020)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest income	14,314	14,347
Interest expense	<u>(2,251)</u>	<u>(2,779)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>12,063</u>	<u>11,568</u>
LOSS BEFORE CONTRIBUTIONS	(19,661)	(11,452)
CONTRIBUTED CAPITAL	<u>31,759</u>	<u>10,950</u>
CHANGE IN NET POSITION	12,098	(502)
NET POSITION, BEGINNING OF YEAR	<u>3,334,489</u>	<u>3,334,991</u>
NET POSITION, END OF YEAR	<u><u>\$ 3,346,587</u></u>	<u><u>\$ 3,334,489</u></u>

See accompanying notes.