

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF NORTH)	CASE NO.
MARSHALL WATER DISTRICT FOR A RATE)	2025-00102
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

ORDER

On April 10, 2025,¹ North Marshall Water District (North Marshall District) filed its application with the Commission requesting an adjustment to its water rates pursuant to 807 KAR 5:076.

On its own motion, the Commission finds that a procedural schedule² should be established to ensure the orderly review of North Marshall District's application. The procedural schedule is attached as Appendix A to this Order.

In addition, North Marshall District should file on or before the date set forth in the procedural schedule its responses to the Commission Staff's request for Information, attached to this Order as Appendix B, and should respond to any future requests for information propounded by Commission Staff by the date or dates set forth on any such requests.

¹ North Marshall District tendered its application on April 10, 2025. By letter dated April 11, 2025, the Commission found no filing deficiencies and the application is deemed filed on April 10, 2025.

² No action is necessary to suspend the effective date of North Marshall District's proposed rates for service. Pursuant to 807 KAR 5:076, Section 7(1), an applicant who applies for a rate adjustment pursuant to the procedures set for in 807 KAR 5:076 may not place its proposed rates into effect until the Commission approves those rates or six months from the date of the filing of its application.

IT IS THEREFORE ORDERED that:

1. The procedural schedule set forth in Appendix A to this Order shall be followed.
2. On or before the date set forth in the procedural schedule, North Marshall District shall file its responses to the Commission Staff's request for information, attached to this Order as Appendix B.
3. North Marshall District shall respond to any additional requests for information propounded by Commission Staff as provided in those requests.
4. No later than the date set forth in the procedural schedule, Commission Staff shall file with the Commission and serve upon all parties of record a written report (Commission Staff's Report) containing its recommendations regarding North Marshall District's requested rate adjustment.
5. No later than 14 days after the date of service of the Commission Staff's Report, each party of record shall file with the Commission:
 - a. Its written comments on and any objections to the findings contained in the Commission Staff's Report; and
 - b. Any additional evidence for the Commission to consider.
6. If Commission Staff recommends that North Marshall District's financial condition supports a higher rate than North Marshall District proposes or the assessment of an additional rate or charge not proposed in North Marshall District's application, North Marshall District in its response to the Commission Staff's Report shall also state its position in writing on whether the Commission should authorize the assessment of the higher rate or the additional rate or charge.

7. If Commission Staff recommends that changes should be made to the manner in which North Marshall District accounts for the depreciation of North Marshall District's assets, North Marshall District in its response to the Commission Staff's Report shall also state its position in writing on whether the Commission should require North Marshall District to implement the proposed change for accounting purposes.

8. A party's failure to file written objections to a recommendation contained in the Commission Staff's Report within 14 days after the date of the filing of the Commission Staff's Report shall be deemed a waiver of all objections to that finding.

9. If a party requests a hearing or informal conference, then the party shall make the request in its written comments and state the reason a hearing or informal conference is necessary.

10. A party's failure to request a hearing or informal conference in the party's written response shall be deemed a waiver of all rights to a hearing on the application and a request that the case stand submitted for decision.

11. A party's failure to file a written response within 14 days after the date of service of the Commission Staff's Report shall be deemed a waiver of all rights to a hearing on the application.

12. As set forth in 807 KAR 5:001, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding that is not adequately represented in the case, or (2) that the person requesting permissive intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. Therefore, any person requesting to

intervene in a Commission proceeding must state with specificity the person's special interest that is not otherwise adequately represented or the issues and facts the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of the utility consumed by the movant or a general statement regarding a potential impact of possible modification of rates will not be deemed sufficient to establish a special interest.

13. Any motion to intervene filed after the date established in the procedural schedule attached as Appendix A to this Order shall also show good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

14. The Commission directs the parties to the Commission's July 22, 2021, Order in Case No. 2020-00085³ regarding filings with the Commission.

³ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

PUBLIC SERVICE COMMISSION

Chairman

Vice Chairman

Commissioner

ATTEST:

Linda Bridwell *rs*
Executive Director



Case No. 2025-00102

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2025-00102 DATED APR 30 2025

Requests for intervention shall be filed no later than 5/13/2025

All requests for information to North Marshall District
shall be filed no later than 5/27/2025

North Marshall District shall file responses to requests
for information no later than 6/17/2025

All supplemental requests for information to
North Marshall District shall be filed no later than 7/08/2025

North Marshall District shall file responses to supplemental
requests for information no later than 7/22/2025

Commission Staff's Report shall be filed no later than..... 8/26/2025

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2025-00102 DATED APR 30 2025

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO NORTH MARSHALL WATER DISTRICT

North Marshall Water District (North Marshall District), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on June 17, 2025. The Commission directs North Marshall District to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

North Marshall District shall make timely amendment to any prior response if North Marshall District obtains information that indicates the response was incorrect or

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which North Marshall District fails or refuses to furnish all or part of the requested information, North Marshall District shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, North Marshall District shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. 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.
- b. Provide the brand or common name for each software.
- c. State whether each 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 for each software.
- e. State whether each system is still serviced by the manufacturer and whether the utility maintains a service contract.

2. 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 with all transactions for each of the years ended December 31, 2023, December 31, 2024, and 2025 year to date.

b. The trial balance in Excel spreadsheet format for each of the years ended December 31, 2023, and December 31, 2024.

c. Refer to the Application, Attachment 1_-6_NMWD_List_of_attachments.pdf, Attachment 4, Schedule of Adjusted Operations (SAO). Provide a cross-reference that matches each test year general ledger account to each revenue and expense line that is reported in the SAO and reconcile amounts that do not match the respective SAO line item.

3. Refer to the Application, SAO, Adjustment I. Provide the following information regarding the proposed rate case amortization expense.

a. State whether the cost for this case is a fixed amount or indicate whether the quoted amount may increase or decrease.

b. Provide a copy of the quote for the preparation of the rate case.

c. Confirm that the anticipated rate case expense will be paid for by North Marshall District and not paid for by a third party, i.e. grant funding. If not confirmed, provide the source of funding.

4. 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 title, hours worked, pay rate, total wages paid, and total FICA cost for each employee for the years ended December 31, 2023, and December 31, 2024. Overtime hours worked and paid at rates greater than the straight time pay rate should be separated from on-call hours paid. Include the date the employee was hired and, if applicable, the employee's termination date. The table should include a column for total wages by employee (regular wages and overtime) and a row for all employees' total hours worked, wages, and FICA. Employee names should be redacted from all documents.

a. If a position is recently vacated but the intent is to fill it, note the vacancy and the amount of time that the position has been vacant.

b. Identify the number of full and part-time positions that North Marshall District considers full staffing level.

c. Provide a summary of overtime hours worked and costs as a result of vacant positions and thus, will be eliminated when the vacant positions are filled.

d. For any bonuses provide written personnel policies including a description of the bonus measurement determinates.

e. Identify if there has been a wage rate increase in 2025 and, if so, provide the Board minutes that authorize the new pay rate.

f. Distribute the increase of \$116,654, from test year \$670,301 to the pro forma \$786,955 in pro forma labor costs in the following table.

Description	Amount	Percent
Reported Test Year Wages	670,301	
Tap Fees/Capitalized	(19,750)	
Wage Rate Inflation		0.00%
Merit/Promotional Increases		0.00%
Positions Added Since Beginning of Test Year		0.00%
Turnover During Test Year		0.00%
Pro Forma Wages	<u>\$786,955</u>	

5. Provide a complete description of each employee benefit, paid to or on behalf of each employee for the calendar year 2023. Supplemental coverage for which the employee pays 100 percent of the cost should also be included. Employee names should be redacted from all documents.

a. Provide a copy of one invoice for 2024 and 2025 for each employee benefit described above.

b. State whether there were 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.

d. 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 any adjustments based on Bureau of Labor Statistics (BLS) contribution rate for insurance premiums, if applicable. If health insurance is provided, designate the 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.

6. Provide certificates of insurance and most recent invoices for general liability, workers' compensation, automobile, property, and casualty for 2023, 2024, and 2025.

7. Provide the minutes from North Marshall District's commissioner meetings for the calendar years 2023, 2024, and year to date 2025. Consider this a continuing request through the date of issuance of Commission Staff's Report.

a. Designate each action that authorizes hiring.

b. Designate each action that authorizes adjustments to wage rates and any other compensation or fringe benefit actions.

8. Provide a document that lists the name of each commissioner for each of the calendar years 2023 and 2024 and state, individually, the total amount of each benefit paid to, or on the behalf of, each commissioner 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.

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

b. Provide training records for each commissioner for 2022, 2023, and 2024 or a statement that the individual has not attended training.

9. Refer to the Application, SAO, Adjustment D. Provide the number of tap installations of each size during the test year.

10. Refer to the Application, SAO, Adjustment D. Also refer to the Application, Attachment_7_-_2023_NMWD_Fixed_Assets_Schedule.xls, Adjusted Tab, Account 33300004 Meters. In the Fixed Asset account there are three meters recorded being

placed into service during 2023. However, the SAO Adjustment D proposes the reclassification of water tap labor and materials to capitalize new meter connections. Confirm the three new meters added in 2023 are capitalized meters installed during 2023. If not, explain what they are and why they are identified as meters

11. Refer to North Marshall District's Tariff, PSC Ky. No. 4, Original Sheet No. 11, Billing, Meter Readings and Related Information, Frequency of meter reading.

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

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.

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

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

b. Explain whether any material changes to North Marshall district'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 Marshall District's system, explain when North Marshall District anticipates completing a new COSS.

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

13. 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.

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

c. Provide an analysis of the proposed pro forma adjustment to metered revenues.

14. Refer to the Application, SAO. Provide an analysis of the components of Other Water Revenues of \$600 and state whether each component will recur.

15. Provide the number of occurrences and dollar amounts for late fees that were recorded during the calendar years 2023 and 2024.

16. Provide a schedule listing the number of occurrences for each nonrecurring charge recorded during the test year and the total revenue 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.

17. Provide updated cost justification sheets to support each nonrecurring charge listed in North Marshall District's tariff.

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

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