

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF CHRISTIAN	)	CASE NO.
COUNTY WATER DISTRICT FOR A RATE	)	2021-00369
ADJUSTMENT PURSUANT TO 807 KAR 5:076	)	

ORDER

On September 18, 2021, Christian County Water District (Christian District) filed an application with the Commission requesting to adjust its water rates pursuant to 807 KAR 5:076. To ensure the orderly review of the application, the Commission established a procedural schedule by Order dated October 6, 2021. On November 3, 2021, Christian District submitted its motion requesting an extension of time until December 3, 2021, to fully respond to Commission Staff's First Request for Information (Staff's First Request). By its Order dated November 17, 2021, the Commission granted Christian District's motion and amended the procedural schedule to extend the remaining deadlines. Commission Staff's Second Request for Information (Staff's Second Request) was issued on December 14, 2021, and Christian District filed its responses on December 17, 2021. Commission Staff issued its Staff Report on January 26, 2022. On January 27, 2022, Christian District filed with the Commission its comments in response to the January 26, 2022 Staff Report.

LEGAL STANDARD

Alternative rate adjustment proceedings, such as this one, are governed by 807 KAR 5:076, which establishes a simplified process for small utilities to use to request

rate adjustments, with the process designed to be less costly to the utility and to the utility ratepayers. The Commission's standard of review of a utility's request for a rate increase is well established. In accordance with KRS 278.030 and case law, Christian District is allowed to charge its customers "only 'fair, just and reasonable rates.'"<sup>1</sup> Further, Christian District bears the burden of proof to show that the proposed rate increase is just and reasonable, under KRS 278.190(3).

### BACKGROUND

Christian District, a water district organized pursuant to KRS Chapter 74, provides water service to approximately 5,871 residential, commercial, and industrial customers in Christian County, Kentucky.<sup>2</sup>

In its application, Christian District requested water rates that would increase annual revenues from water sales by \$200,768, or 5.37 percent.<sup>3</sup> The water rates requested by Christian District would increase the monthly bill of a typical residential customer using 4,000 gallons per month by \$2.46, from \$45.81 to \$48.27, or approximately 5.37 percent.<sup>4</sup>

On September 22, 2021, the Commission issued its Order in Case No. 2021-00322,<sup>5</sup> authorizing Christian District to enter into a loan with the Kentucky Rural Finance

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<sup>1</sup> *City of Covington v. Public Service Commission*, 313 S.W.2d 391 (Ky. 1958); and *Pub. Serv. Comm'n v. Com. of Kentucky v. Dewitt Water District*, 720 S.W.2d 725 (Ky. 1986).

<sup>2</sup> *Annual Report of Christian District to the Public Service Commission for the Calendar Year Ended December 31, 2020* (2020 Annual Report) at 12 and 49.

<sup>3</sup> *Id.*, Attachment 4, Revenue Requirements.

<sup>4</sup> *Id.*, Attachment 1, Customer Notice.

<sup>5</sup> Case No. 2021-00322, *Electronic Application of the Christian County Water District to Issue Securities in the Approximate Principal Amount of \$895,000 for the Purpose of Refinancing Certain Outstanding Obligations of the District Pursuant to the Provisions of KRS 278.300 and 807 KAR 5:001* (Ky. PSC Sep. 22, 2021).

Corporation (KRWFC) to refinance an existing KRWFC loan, Series 2012C. The Application in this instant case was submitted on September 18, 2021, approximately four days prior to the issuance of the Order in Case No. 2021-00322. In its responses to Staff's Second Request, Christian District submitted an updated Revenue Requirement Calculation to reflect the authorized KRWFC refinancing.<sup>6</sup>

Using the Debt Service Coverage (DSC) method, its pro forma test-year operations, and its updated Debt Service payments, Christian District determined in its updated calculations it could justify a revenue increase of \$160,316, or 4.29 percent.<sup>7</sup> The updated rates requested by Christian District would increase the monthly bill of a typical residential customer using 4,000 gallons per month by \$1.96, from \$45.81 to \$47.77, or approximately 4.28 percent.<sup>8</sup>

In its January 26, 2022 Staff Report, Commission Staff found that Christian District's adjusted test-year water operating revenues and expenses support an Overall Revenue Requirement of \$3,962,782.<sup>9</sup> In order to achieve Commission Staff's Overall Revenue Requirement, the water division would require an annual increase in revenue from water rates of \$146,496, or 3.92 percent.<sup>10</sup>

In its January 27, 2022 , response to the Staff Report, Christian District disagreed with Commission Staff's removal of labor expenses from its Nonrecurring Charges (NRC),

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<sup>6</sup> Christian District's Responses to Staff's Second Request, Excel Workbook: Rate\_Study\_-\_Refinancing\_of\_2012C\_\_with\_2021D.

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*, Current\_and\_Proposed\_Bills\_Series\_2021D.

<sup>9</sup> Staff Report Summary of Findings at 4-5.

<sup>10</sup> *Id.*

but it did not wish to contest Commission Staff's proposed adjustment in the instant case.<sup>11</sup> Christian District argued that its failure to object to Commission Staff's adjustments to its NRCs should not be construed as a waiver of Christian District's right to contest similar findings in a future rate proceeding.<sup>12</sup>

Following Commission Staff's directive in its report concerning Christian District's hiring of a second replacement employee, in its responses, Christian District confirmed that part-time employee No. 43 was offered and accepted a full-time position.<sup>13</sup> Employee No. 43's position became full-time on February 2, 2022. Additionally, the Board of Commissioners gave all of its employees a 6.0 percent cost of living adjustment that became effective on February 12, 2022.<sup>14</sup> Christian District waived its right to request an informal conference or hearing.<sup>15</sup>

#### WATER LOSS

Pursuant to 807 KAR 5:066, Section (6)3, water loss is limited to 15 percent for ratemaking purposes. As noted in the Staff Report, Christian District reported a water loss of 15.75 percent in its 2020 Annual Report.<sup>16</sup> At a 15.75 percent water loss, the

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<sup>11</sup> Christian District's Response to the Staff Report.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> Staff Report at 1-2.

annual cost of water loss in excess of 15.00 percent is \$9,784<sup>17</sup> and the total annual cost of water loss to Christian District is \$205,471.<sup>18</sup>

### RATE CASE FREQUENCY

In Case No. 2019-00041 and the resulting investigative report, the Commission discussed the problems that can occur when utilities intentionally avoid a review of their financial records.<sup>19</sup> A key recommendation from that investigative report was that water districts should monitor the sufficiency of their base rates closely and, in general, apply for base rate adjustments on a more frequent basis.<sup>20</sup> In 2017, Christian District filed a case pursuant to KRS 278.023 for approval of a federally funded construction project and an increase in rates.<sup>21</sup> The Commission approved the project and the corresponding 9.200 percent increase in rates. In Christian District’s 2017 audit report, Christian District reported a positive net income of \$22,140.<sup>22</sup> However, in its 2018 and 2019 audit reports,

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	Purchased Water	Purchased Power	Chemicals	Total
Allowable Purchases	\$ 1,219,214	\$ 84,400	\$ 962	\$ 1,304,576
Multiplied by: Water Loss In Excess of 15%	-0.75%	-0.75%	-0.75%	-0.75%
Cost of Excess Water Loss	\$ (9,144)	\$ (633)	\$ (7)	\$ (9,784)

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	Purchased Water	Purchased Power	Chemicals	Total
Allowable Purchases	\$ 1,219,214	\$ 84,400	\$ 962	\$ 1,304,576
Multiplied by: Test-Year Water Loss	-15.75%	-15.75%	-15.75%	-15.75%
Cost of Water Loss	\$ (192,026)	\$ (13,293)	\$ (152)	\$ (205,471)

<sup>19</sup> See Case No. 2019-00041, *Electronic Investigation into Excessive Water Loss by Kentucky's Jurisdictional Water Utilities* (Ky. PSC. Nov. 22, 2019)

<sup>20</sup> *Id.*

<sup>21</sup> Case No. 2017-00207, *Application of Christian County Water District for a Certificate of Public Convenience and Necessity to Construct, Finance, and Increase Rates Pursuant to KRS 278.023* (Ky. PSC June 14, 2017).

<sup>22</sup> Christian District’s Audit Reports can be found on the Commission’s website at: [https://psc.ky.gov/Utility\\_Financial\\_Reports\\_Net/uploaded/support/SD\\_19700\\_2017\\_1.pdf](https://psc.ky.gov/Utility_Financial_Reports_Net/uploaded/support/SD_19700_2017_1.pdf)

Christian District reported negative net income of \$100,007 and \$76,874 respectively.<sup>23</sup> This clearly supports the Commission's determination that the United States Department of Agriculture Rural Development financing cases are not a sufficient analysis of a utility's operations and do not produce adequate rates in the long term.

This lack of insight into Christian District's financial records was the basis for the Commission's requirement that Christian District file an application by September 30, 2021, for either a traditional adjustment in rates or for an alternative rate adjustment to ensure its revenue is sufficient to support adequate and reliable service. The Commission recommends that Christian District conduct internal financial reviews on an annual basis to ensure that its water rates are sufficient. The Commission also recommends that Christian District's Board of Commissioners consider filing periodic rate cases with the Commission every three to five years and implement a written policy to that effect to maintain a regular review of the utility's finances.

#### TEST PERIOD

The calendar year ended December 31, 2020, was used as the test year to determine the reasonableness of Christian District's existing and proposed water rates as required by 807 KAR 5:076, Section 9.

#### SUMMARY OF REVENUE AND EXPENSES

The Staff Report summarizes Christian District's pro forma income statement as follows:<sup>24</sup>

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<sup>23</sup> Case No. 2017-00207, *Christian County Water District*, Application at Exhibit E.

<sup>24</sup> See Appendix B for a complete pro forma income statement. The Total Operating expenses of (\$67,190) and Net Utility Operating Income of \$201,333 contained in the Pro Forma Column in the Staff report at 7 do not include Total Operation and Maintenance expenses of (\$359,402). The Summary Schedule above, the Summary Schedule at 13, and the detailed Income Statement in Appendix A are

	Test Year Operations	Staff Report Pro Forma Adjustments	Staff Report Pro Forma Operations
Operating Revenues	\$ 3,642,892	\$ 134,143	\$ 3,777,035
Operating Expenses	3,572,240	(426,592)	3,145,648
Net Utility Operating Income	<u>\$ 70,652</u>	<u>\$ 560,735</u>	<u>\$ 631,387</u>

### REVENUE REQUIREMENT ADJUSTMENTS

Billing Analysis. In the Staff Report, Commission Staff recommended the Commission accept Christian District's proposed increase of \$139,189 based on Christian District's current billing analysis.<sup>25</sup> The Commission finds that this adjustment is reasonable as an examination of Christian District's billing analysis was completed by Commission Staff and a normalized revenue was based on the information provided.

Miscellaneous Service Revenue. In the Staff Report, Commission Staff discussed Christian District's NRC's,<sup>26</sup> in which estimated labor costs, previously included in determining the amount of NRC's, are removed. In its response to the Staff Report, Christian District disagreed with the removal of labor expenses from its NRC's but did not wish to contest the adjustments in this case.<sup>27</sup> Commission Staff recommended a reduction to Christian District's test-year other water revenues of \$5,046 to reflect the

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correct. Further, Commission Staff's calculation of its recommended revenue contained in the Staff Report at 19 reflects the correct Pro Forma Total Operating expenses of \$3,145,648.

<sup>25</sup> Staff Report at 7-8, Adjustment A.

<sup>26</sup> *Id.*, at 8, Adjustment B.

<sup>27</sup> Christian District's Responses to the Staff Report.

change in the nonrecurring charges.<sup>28</sup> The Commission finds that this adjustment is known and measurable,<sup>29</sup> is reasonable, and is accepted.

Employee Salaries and Wages. In the Staff Report, Commission Staff recommended the Commission increase pro forma salaries and wages by \$17,046 to reflect Christian District's current staff level of 14 full-time employees, two part-time employees, the hours that each employee worked in the test year, and the 2022 employee wage rates.<sup>30</sup> The Commission finds that the Commission Staff's adjustment meets the ratemaking criteria of being known and measurable, is reasonable, and is accepted.

In its response to the Staff Report, Christian District advised that its part-time employee No. 43 was offered and accepted a full-time position. The Commission finds that an adjustment to include the salary for the new full-time employee meets the ratemaking criteria of being known and measurable. Using the wage information provided by Christian District for its new full-time employee, the Commission is increasing Commission Staff's pro forma Employee Salaries and Wages expense of \$577,032 by \$26,250.<sup>31</sup>

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<sup>28</sup> Staff Report at 7, Adjustment B.

<sup>29</sup> See 807 KAR 5:001, Section 16.1.(a); Case No. 2001-00211, *The Application of Hardin County Water District No. 1 for (1) Issuance of Certificate of Public Convenience and Necessity; (2) Authorization to Borrow Funds and to Issue Its Evidence of Indebtedness Therefor; (3) Authority to Adjust Rates; and (4) Approval to Revise and Adjust Tariff* (Ky. PSC Mar. 1, 2002); Case No. 2002-00105, *Application of Northern Kentucky Water District for (A) an Adjustment of Rates; (B) a Certificate of Public Convenience and Necessity for Improvements to Water Facilities if Necessary; and (C) Issuance of Bonds* (Ky. PSC June 25, 2003); Case No. 2017-00417, *Electronic Proposed Adjustment of the Wholesale Water Service Rates of Lebanon Water Works* (Ky. PSC July 12, 2018); and Case No. 2019-00080, *Electronic Proposed Adjustment of the Wholesale Water Service Rates of the City of Pikeville to Mountain Water District* (Ky. PSC Dec. 19, 2019).

<sup>30</sup> Staff Report at 8-10, Adjustment C.

<sup>31</sup> Christian District Update to Projected Salary Expense (filed January 19, 2022). \$12.75 (Hourly Wage Rate) x 2,080 (Regular Hours) = \$26,520.

Tap-on Fees. In the Staff Report, Commission Staff recommended the Commission decrease Employee Salaries and Wages expense by 30 percent of the collected tap-on fees or \$19,485 and the remaining 70 percent or \$45,465 from the Materials and Supplies expense.<sup>32</sup> The Commission finds that the Commission Staff's adjustments meet the ratemaking criteria of being known and measurable, are reasonable, and is accepted.

County Employee Retirement System (CERS). In the Staff Report, Commission Staff recommended that Employee Pensions and Benefits expense be decreased by \$201,189 to reflect applying the 26.95 percent employer CERS contribution rate to the pro forma employee salaries and wages expense for full-time employees of \$573,439.<sup>33</sup> The Commission finds, based on the evidence of record, that Commission Staff's adjustment is reasonable and is accepted. In addition, based upon the adjustment made herein for the new full-time employee, the Commission finds that Commission Staff's pro forma Employee Pensions and Benefits expense should be increased by \$7,147.<sup>34</sup>

Excess Water Loss. In the Staff Report, Commission Staff recommended the Commission reduce Purchased Water expense \$9,144, Purchased Power expense by \$633, and Chemical expense by \$7 to eliminate the costs attributable to excessive water loss pursuant to 807 KAR 5:066, Section 6(3).<sup>35</sup> The Commission finds the adjustments

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<sup>32</sup> *Id.* at 10, Adjustment D.

<sup>33</sup> *Id.* at 11–12, Adjustment E.

<sup>34</sup> \$26,520 (Salary New Full-Time Employee) x 26.95% (CERS Employer Contribution Rate) = \$7,147.

<sup>35</sup> Staff Report at 12-13, Adjustment F.

proposed by Commission Staff properly reflects the limitations imposed by the regulation and are accepted.

Monthly Telephone. In the Staff Report, Commission Staff proposed to accept Christian District's adjustment to increase test-year Fuel for Power Production/Office Utilities expense of \$23,336 by \$1,212.<sup>36</sup> This adjustment reflects the increase in cost of the telephone service of \$101 per month.<sup>37</sup> The Commission finds that Christian District's adjustment meets the ratemaking criteria of being known and measurable and, therefore, is accepted.

Materials and Supplies – Capital Expenditures. In the Staff Report, Commission Staff reduced Materials and Supplies expense by \$7,319 and increased depreciation expense by \$783.<sup>38</sup> Commission Staff's adjustments reflect removing capital expenditures from test-year operating expenses and depreciating them over their estimated useful lives.<sup>39</sup> In keeping with Commission precedent, Commission Staff depreciated the capital expenditures over the midpoint of the depreciation live ranges contained in the report published in 1979 by the National Association of Regulatory Utility Commissioners (NARUC) titled *Depreciation Practices for Small Water Utilities* (NARUC Study).<sup>40</sup> The Commission finds Commission Staff's adjustments to Materials and Supplies expense and Depreciation expense are reasonable and are accepted.

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<sup>36</sup> *Id.*, at 13-14, Adjustment G.

<sup>37</sup> *Id.*

<sup>38</sup> *Id.* at 14, Adjustment H.

<sup>39</sup> *Id.*

<sup>40</sup> See Case No. 2016-00163, *Alternative Rate Adjustment Filing of Marion County Water District* (Ky. PSC Nov. 10, 2016); Case No. 2020-00141, *Electronic Application of Hyden-Leslie County Water*

Materials and Supplies – Nonrecurring Expenditures. In the Staff Report, Commission Staff reduced Materials and Supplies expense by \$20,980 and increased depreciation expense by \$6,993.<sup>41</sup> For ratemaking purposes, costs that are classified as nonrecurring are removed from a utility’s operating expenses and are amortized over their estimated useful life. Commission Staff’s adjustments removes \$20,980 of nonrecurring expenditures from test-year operating expenses and amortizes them over their estimated useful life.<sup>42</sup> The Commission finds Commission Staff’s adjustments to Materials and Supplies expense and Amortization expense are reasonable and are accepted.

Employee Benefits. In the Staff Report, Commission Staff recommended a decrease to Christian District Employee Pensions and Benefits of \$39,346.<sup>43</sup> Commission Staff’s recommended adjustment reflects reducing the Single Health Insurance premiums paid by Christian District from 100 percent to 78 percent and reducing Family Health insurance premiums from 100 percent to 66 percent.<sup>44</sup> In addition, the proposed adjustment reflects the reduction of Dental and Vision Insurance premiums paid by Christian District from 100 percent to 60 percent.<sup>45</sup> The Commission finds that the adjustment proposed by Commission Staff meets the criteria formerly set by the Commission, is known and measurable, and is accepted. The Commission is

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*District for an Alternative Rate Adjustment* (Ky. PSC Nov. 6, 2020); and Case No. 2020-00311, *Electronic Application of Cawood Water District for an Alternative Rate Adjustment* (Ky. PSC Apr. 8, 2021).

<sup>41</sup> Staff Report at 15, Adjustment I.

<sup>42</sup> *Id.*

<sup>43</sup> *Id.* at 15–17, Adjustment J.

<sup>44</sup> *Id.*

<sup>45</sup> *Id.*

increasing Commission Staff's pro forma Benefit expense of \$80,795 by \$6,039<sup>46</sup> to reflect the allowable Benefits for the new full-time employee.

Depreciation. In the Staff Report, Commission Staff recommended an adjustment decreasing test-year Depreciation expense of \$589,269 by \$61,483 in keeping with Commission precedent of using NARUC Study depreciable life midpoint when no evidence exists to support a specific life that is outside the NARUC ranges.<sup>47</sup> The Commission finds that this adjustment is reasonable and is accepted as it is consistent with Commission precedent.

Taxes Other Than Income—Payroll Taxes. In the Staff Report, Commission Staff recommended that Christian District's test-year Payroll Tax expense of \$57,531 be decreased by \$13,483 to reflect Commission Staff's adjustments to Salaries and Wages Expense.<sup>48</sup> Based upon the adjustments made herein for the new full-time employee, the Commission finds that Commission Staff's pro forma Payroll Tax expense of \$43,868 should be increased by \$3,794.<sup>49</sup>

Based on the Commission's findings discussed above, the following table summarizes Christian District's adjusted Pro Forma operations:<sup>50</sup>

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<sup>46</sup> \$5,666 (Health Ins. - Single) + \$120 (Dental Ins.) + \$84 (Vision) + \$155 (Life Ins.) + \$13 (AD&D) = \$6,039.

<sup>47</sup> Staff Report at 17–18, Adjustment K.

<sup>48</sup> *Id.*, at 18, Adjustment L.

<sup>49</sup> \$623,037 (Commission Employee Salaries and Wages) x 7.65% (FICA Rate) = \$47,662 - \$43,864 (Pro Forma FICA Staff Report) = \$3,794.

<sup>50</sup> See Appendix B for a complete pro forma income statement.

	Staff Report Pro Forma Operations	Commission Pro Forma Adjustments	Commission Pro Forma Operations
Operating Revenues	\$ 3,777,035	\$ -	\$ 3,777,035
Operating Expenses	3,145,648	43,500	3,189,148
Net Utility Operating Income	<u>\$ 631,387</u>	<u>\$ (43,500)</u>	<u>\$ 587,887</u>

### REVENUE REQUIREMENT

Based upon the Commission's findings and determinations herein, Christian District requires an increase in revenues of \$189,995, or 5.089 percent above pro forma present rate revenues as shown below. This increase is required for Christian District to remain operational and financially sound and have an opportunity to provide adequate, efficient, and reasonable service to its customers.<sup>51</sup>

	Updated Christian District	Staff Report	Commission Adjustments	Final Order
Pro Forma Operating Expenses	\$ 3,191,741	\$ 3,145,648	\$ 43,500	\$ 3,189,148
Plus: Average Annual Debt Service	680,945	680,945	0	680,945
Debt Service Coverage Requirement	<u>136,189</u>	<u>136,189</u>	<u>0</u>	<u>136,189</u>
Overall Revenue Requirement	4,008,875	3,962,782	43,500	4,006,281
Less: Other Operating Revenue	(65,901)	(18,339)	0	(18,339)
Fire Protection Revenue	(2,641)	(2,641)	0	(2,641)
Sales for Resale	(15,288)	(15,288)	0	(15,288)
Interest Income	<u>(39,070)</u>	<u>(39,070)</u>	<u>0</u>	<u>(39,070)</u>
Revenue Required from Water Sales	3,901,263	3,887,444	43,500	3,930,943
Less: Normalized Revenues from Water Sales	<u>(3,740,947)</u>	<u>(3,740,948)</u>	<u>0</u>	<u>(3,740,948)</u>
Required Revenue Increase/(Decrease)	<u>\$ 160,316</u>	<u>\$ 146,496</u>	<u>\$ 43,500</u>	<u>\$ 189,995</u>
Percentage Increase	<u>4.29%</u>	<u>3.92%</u>		<u>5.08%</u>

### RATE DESIGN

Christian District proposed to increase its monthly retail water service rates evenly across the board by approximately 4.29 percent. Christian District has not performed a cost of service study (COSS). Christian District stated that it did not complete a COSS because there has not been any material change in the water system to warrant a

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<sup>51</sup> KRS 278.030(2).

COSS.<sup>52</sup> It has been more than 20 years since the last COSS for Christian District was completed.<sup>53</sup>

The Commission finds that the allocation of a revenue increase evenly across the board to a utility's rate design is appropriate when there has been no evidence entered into the record demonstrating that this method is unreasonable and in the absence of a COSS. In the Staff Report, Commission Staff followed the method proposed by Christian District and allocated Commission Staff's calculated revenue increase across the board to Christian District's monthly retail water service rates.

The rates set forth in Appendix B to this Order are based upon the revenue requirement the Commission has found to be fair, just and reasonable and will produce sufficient revenues from water sales to recover the \$3,930,943 Revenue Required from Rates, an approximate 5.08 percent increase. These rates will increase a typical residential customer's monthly water bill from \$40.80 to \$42.87, an increase of \$2.07, or approximately 5.07 percent.<sup>54</sup>

#### SUMMARY

After consideration of the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. The findings contained in the Staff Report are supported by the evidence of record and are reasonable.

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<sup>52</sup> Christian District's Response to Staff's First Request (filed Nov. 12, 2021), Item 4.

<sup>53</sup> *Id.*

<sup>54</sup> The typical residential customer uses approximately 3,234 gallons per month.

2. The water service rates proposed by Christian District in its application are denied.

3. The water service rates set forth in Appendix A to this Order are fair, just and reasonable and are approved.

IT IS THEREFORE ORDERED that:

1. The findings contained in the Staff Report are adopted and incorporated by reference into this Order as if fully set out herein.

2. The rates originally proposed by Christian District are denied.

3. The rates set forth in Appendix A to this Order are approved for services rendered by Christian District on and after the date of this Order.

4. Within 20 days of the date of entry of this Order, Christian District shall file with this Commission, using the Commission's electronic Tariff Filing System, new tariff sheets setting forth the rates and charges approved herein and their effective date and stating that the rates and charges were authorized by this Order.

5. This case is closed and removed from the Commission's docket.

By the Commission

ENTERED  
MAR 17 2022 rCS  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

Case No. 2021-00369

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2021-00369 DATED MAR 17 2022

Monthly Water Rates

5/8- X 3/4-Inch Meter

First	0 gallons	\$ 20.65	Minimum Bill
Over	0 gallons	0.00687	per gallon

1-Inch Meter

First	5,000 gallons	\$ 55.32	Minimum Bill
Over	5,000 gallons	0.00687	per gallon

1 1/2-Inch Meter

First	10,000 gallons	\$ 89.69	Minimum Bill
Over	10,000 gallons	0.00687	per gallon

2-Inch Meter

First	50,000 gallons	\$ 364.58	Minimum Bill
Over	50,000 gallons	0.00687	per gallon

4-Inch Meter

First	100,000 gallons	\$ 708.19	Minimum Bill
Over	100,000 gallons	0.00687	per gallon

Nonrecurring Charges

Reconnection Fee/Turn-on Fee	\$13.00
Reconnection Fee/Turn-on Fee (After Hours)	\$47.00
Meter Test Fee	\$ 1.00
Returned Check Fee	\$ 2.00
Broken Lock Fee	\$18.00

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2021-00369 DATED MAR 17 2022

	Test Year Operations	Staff Report Pro Forma Adjustments	Staff Report Pro Forma Operations	Commission Pro Forma Adjustments	Commission Pro Forma Operations
<b>Operating Revenues:</b>					
Total Metered Sales	\$ 3,601,759	\$ 139,189	\$ 3,740,948	\$ -	\$ 3,740,948
Fire Protection Revenue	2,641		2,641		2,641
Sales for Resale	15,288		15,288		15,288
Interdepartmental Sales	(181)		(181)		(181)
<b>Total Revenue - Water Sales</b>	<b>3,619,507</b>	<b>139,189</b>	<b>3,758,696</b>	<b>0</b>	<b>3,758,696</b>
<b>Other Water Revenues:</b>					
Forfeited Discounts	11,331	0	11,331	0	11,331
Misc. Service Revenues	9,966	(5,046)	4,920	0	4,920
Interdepartmental Rents	2,088		2,088		2,088
<b>Total Other Operating Revenue</b>	<b>23,385</b>	<b>(5,046)</b>	<b>18,339</b>	<b>0</b>	<b>18,339</b>
<b>Total Operating Revenues</b>	<b>3,642,892</b>	<b>134,143</b>	<b>3,777,035</b>	<b>0</b>	<b>3,777,035</b>
<b>Operating Expenses:</b>					
<b>Operation and Maintenance:</b>					
Salaries and Wages - Employees	613,563	(17,046)			
		(19,485)	577,032	26,520	603,552
Salaries and Wages - Officers	30,000		30,000		30,000
Employee Pensions and Benefits	355,731	(201,189)	154,542	7,147	161,689
Purchased Water	1,219,214	(9,144)	1,210,070		1,210,070
Purchased Power	84,400	(633)	83,767		83,767
Purchased Power - Office Utilities	23,336	1,212	24,548		24,548
Chemicals	962	(7)	955		955
Materials and Supplies	226,548	(45,465)			
		(7,319)			
		(20,980)	152,784		152,784
Contractual Services	42,831		42,831		42,831
Rent - Equipment	1,085		1,085		1,085
Transportation Expenses	19,531		19,531		19,531
Insurance - Vehicle	64,848		64,848		64,848
Insurance - Gen. Liab. & Workers Comp.	11,097		11,097		11,097
Insurance - Other	120,141	(39,346)	80,795	6,039	86,834
Bad Debt	(26)		(26)		(26)
Miscellaneous Expenses	112,359		112,359		112,359
<b>Total Operation and Maintenance Expenses</b>	<b>2,925,620</b>	<b>(359,402)</b>	<b>2,566,218</b>	<b>39,706</b>	<b>2,605,924</b>
Depreciation Expense	589,269	783			
		(61,483)	528,569		528,569
Amortization Expense		6,993	6,993		6,993
Taxes Other Than Income	57,351	(13,483)	43,868	3,794	47,662
<b>Total Operating Expenses</b>	<b>3,572,240</b>	<b>(426,592)</b>	<b>3,145,648</b>	<b>43,500</b>	<b>3,189,148</b>
<b>Net Utility Operating Income</b>	<b>\$ 70,652</b>	<b>\$ 560,735</b>	<b>\$ 631,387</b>	<b>\$ (43,500)</b>	<b>\$ 587,887</b>

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