

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|-----------------------------------|---|------------|
| ELECTRONIC PURCHASED WATER |) | CASE NO. |
| ADJUSTMENT FILING OF GREEN-TAYLOR |) | 2024-00096 |
| WATER DISTRICT |) | |

ORDER

On April 10, 2024, Green-Taylor Water District (Green-Taylor District) requested approval to adjust its rates pursuant to the purchased water adjustment procedure set forth in KRS 278.015 and 807 KAR 5:068.

LEGAL STANDARD

In accordance with KRS 278.015, when a wholesale supplier selling water to a water district increases its rates, the water district has the authority to increase its rate commensurate with the wholesale supplier. The water district must file, within the statutory and regulatory deadlines, a copy of the notice from the wholesale supplier showing the increase in the wholesale rate, and a statement of the volume of purchased water used to calculate the rate adjustment. The Commission shall approve the filing by order after the above documents are filed.

DISCUSSION AND FINDINGS

Green-Taylor District purchases water from Green River Valley Water District (Green River Valley District), Greensburg Water Works (Greensburg Water), Campbellsville Municipal Water (Campbellsville Water) and Columbia/Adair Utilities District (Columbia/Adair District). Green River Valley District notified Green-Taylor

District that its wholesale rate would increase from \$2.59 per 1,000 gallons to \$3.01 per 1,000 gallons, effective November 1, 2023.¹ Green-Taylor District proposed to increase the water rates to its customers effective May 1, 2024, to reflect the increased cost of purchased water from Green River Valley District.²

Unaccounted-for Water Loss

Commission regulation 807 KAR 5:066, Section 6(3), states that for ratemaking purposes a utility's unaccounted-for water loss shall not exceed 15 percent of the total water produced and purchased, excluding water consumed by a utility in its own operations. In its 2022 Annual Report filed with the Commission, Green-Taylor District reported a water loss of 14.9451 percent.³

Financial Condition and Rates

Based on a review of Commission records, Green-Taylor District's most recent general base rate adjustment was in 2022.⁴ In Case No. 2022-00246, the Commission concluded that rates should decrease by 4.98 percent or \$136,276.⁵ However, in that same proceeding, Green-Taylor District argued that a rate decrease should be waived.⁶ The Commission approved the waiver on the condition that Green-Taylor District

¹ Case No. 2023-00088, *Electronic Application of Green River Valley Water District for Adjustment of Rates* (Ky. PSC Oct. 30, 2023), final Order.

² Application at unnumbered page one. Letter.

³ *Annual Report of Green-Taylor District to the Public Service Commission for the Year Ended December 31, 2022* at 57.

⁴ Case No. 2022-00246, *Electronic Application of Green-Taylor Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC June 12, 2023).

⁵ Case No. 2022-00246, *Electronic Application of Green-Taylor Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC June 12, 2023), final Order at 24.

⁶ Case No. 2022-00246, *Electronic Application of Green-Taylor Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC June 12, 2023).

establish a policy to perform an annual review of its rate sufficiency with the first review due in 2023 based on calendar year 2022.⁷ Additionally, Green-Taylor District was ordered to submit a rate case or rate study by July 31, 2026, using the 2025 as the test year.⁸

Given this information, the Commission reiterates that Green-Taylor District should be ordered to comply with the June 12, 2023 Order in Case No. 2022-00246 by filing, on or before July 31, 2026, rate case or rate study, using 2025 as the test year to ensure that its revenue is sufficient to support adequate and reliable service, or, in the alternative, file a formal motion with a detailed analysis of its rates and revenues and a statement of the reasons why a rate case is not necessary.

Purchased Water Adjustment Factor

In its application, Green-Taylor District proposed a purchased water adjustment factor of \$0.09 per 1,000 gallons. During the 12 months ended January 2024, Green-Taylor District purchased 59,601,000 gallons of water from Green River Valley District, 221,024,000 gallons of water from Greensburg Water, 167,628,426 gallons of water from Campbellsville Water and 201,300 gallons of water from Columbia/Adair District and sold 299,329,166 gallons of water to its customers. The increase in the cost of purchased water from Green River Valley District is \$25,032.42, which results in a purchased water adjustment factor of \$0.09 per 1,000 gallons. No rate changes occurred from Greensburg Water, Campbellsville Water, or Columbia/Adair District.

⁷ Case No. 2022-00246, *Electronic Application of Green-Taylor Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC June 12, 2023); final Order at 25.

⁸ Case No. 2022-00246, June 12, 2023 final Order at 26.

The purchased water adjustment factor of \$0.09 per 1,000 gallons, as calculated in Appendix A, and the rates as set forth in Appendix B to this Order are fair, just and reasonable and should be approved for water service rendered by Green-Taylor District on and after May 1, 2024, because the rates are supported by evidence of the increase in rates from Green-Taylor District's wholesale water supplier and the volume of purchased water used to calculate the rates in accordance with KRS 278.015.

IT IS THEREFORE ORDERED that:

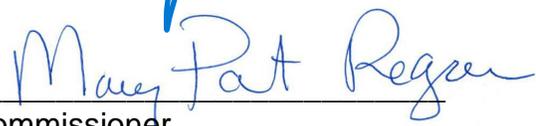
1. The purchased water adjustment factor of \$0.09 per 1,000 gallons is approved.
2. The rates proposed by Green-Taylor District are approved.
3. The rates as set forth in Appendix B to this Order are approved for water service rendered by Green-Taylor District on and after May 1, 2024.
4. Within 20 days of the date of service of this Order, Green-Taylor District shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.
5. Nothing in this Order shall be construed to abrogate Green Taylor District's obligation pursuant to the final Order in Case No. 2022-00246 to file an application for a general rate adjustment pursuant to 807 KAR 5:001, Section 16, or an application for an alternative rate adjustment pursuant to 807 KAR 5:076, or in the alternative, file a formal motion with a detailed analysis of its rates and revenues explaining the reasons why no modifications are necessary by July 31, 2026.⁹
6. This case is closed and removed from the Commission's docket.

⁹ Case No. 2022-00246, June 12, 2023 Order at 26.

PUBLIC SERVICE COMMISSION

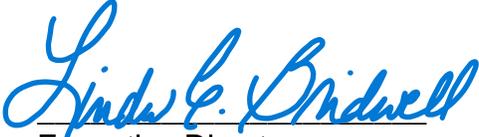

Chairman


Vice Chairman


Commissioner

ENTERED
MAY 09 2024 bsb
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2024-00096 DATED MAY 09 2024

| | Base Rate | New Rate | Change |
|------------------------------------|----------------------|---------------------------|-------------|
| <u>Green River Valley District</u> | | | |
| Purchases in Gallons | 59,601,000 | 59,601,000 | |
| Rate per 1,000 Gallons | <u>\$2.59/1,000</u> | <u>\$3.01/1,000</u> | |
| Subtotal | \$154,366.59 | \$179,399.01 | \$25,032.42 |
| | | | |
| <u>Campbellsville Water</u> | | | |
| Purchases in Gallons | 167,628,426 | 167,628,426 | |
| Rate per 1,000 Gallons | <u>\$2.76/1,000</u> | <u>\$2.76/1,000</u> | |
| Subtotal | \$462,654.46 | \$462,654.46 | \$0.00 |
| | | | |
| <u>Columbia/Adair District</u> | | | |
| Purchases in Gallons | 201,300 | 201,300 | |
| Rate per 1,000 Gallons | <u>\$2.75/1,000</u> | <u>\$2.75/1,000</u> | |
| Subtotal | \$553.58 | \$553.58 | \$0.00 |
| | | | |
| <u>Greensburg Water</u> | | | |
| Purchases in Gallons | 221,024,000 | 221,024,000 | |
| Rate per 1,000 Gallons | <u>\$2.206/1,000</u> | <u>\$2.206/1,000</u> | |
| Subtotal | \$487,578.94 | \$487,578.94 | \$0.00 |
| | | | |
| Increased water cost | | | \$25,032.42 |
| | | | |
| Increased water cost | | \$25,032.42 | |
| Divided by Gallons sold/1,000 | | <u>299,329,166</u> | |
| Purchased water adjustment factor | | \$0.084 per 1,000 Gallons | |
| | | or | |
| | | \$0.00009 per Gallon | |

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2024-00096 DATED MAY 09 2024

The following rates and charges are prescribed for the customers in the area served by Green-Taylor Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8- X 3/4-Inch Meter

| | | | |
|-------|----------------|---------|--------------|
| First | 2,000 Gallons | 23.33 | Minimum Bill |
| Next | 3,000 Gallons | 0.00982 | Per Gallon |
| Next | 5,000 Gallons | 0.00796 | Per Gallon |
| Over | 10,000 Gallons | 0.00527 | Per Gallon |

3/4-Inch Meter

| | | | |
|-------|----------------|---------|--------------|
| First | 3,000 Gallons | 33.15 | Minimum Bill |
| Next | 2,000 Gallons | 0.00982 | Per Gallon |
| Next | 5,000 Gallons | 0.00796 | Per Gallon |
| Over | 10,000 Gallons | 0.00527 | Per Gallon |

1-Inch Meter

| | | | |
|-------|----------------|---------|--------------|
| First | 5,000 Gallons | 52.79 | Minimum Bill |
| Next | 5,000 Gallons | 0.00796 | Per Gallon |
| Over | 10,000 Gallons | 0.00527 | Per Gallon |

1 1/2-Inch Meter

| | | | |
|-------|----------------|---------|--------------|
| First | 10,000 Gallons | 92.59 | Minimum Bill |
| Over | 10,000 Gallons | 0.00527 | Per Gallon |

2-Inch Meter

| | | | |
|-------|----------------|---------|--------------|
| First | 20,000 Gallons | 145.29 | Minimum Bill |
| Over | 20,000 Gallons | 0.00527 | Per Gallon |

Leak Adjustment Rate

| | |
|---------|------------|
| 0.00236 | Per Gallon |
|---------|------------|

Wholesale Rates

Larue County Water District #1
City of Greensburg

0.00325 Per Gallon
0.00286 Per Gallon

*Green-Taylor Water District
250 Industrial Park Road
P. O. Box 168
Greensburg, KY 42743

*James L Mudd Jr.
Monarch Engineering, Inc.
556 Carlton Drive
Lawrenceburg, KENTUCKY 40342