

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF THE CITY OF	)	
GREENSBURG TO INCREASE ITS WHOLESALE	)	CASE NO.
WATER RATE TO GREEN-TAYLOR WATER	)	2025-00201
DISTRICT	)	

ORDER

On March 20, 2025, the city of Greensburg (Greensburg) filed a tariff to increase its wholesale water rate to Green-Taylor Water District (Green-Taylor District). Greensburg initially proposed an effective date of April 19, 2025. Due to contractual provisions, on April 15, 2025, Greensburg revised the effective date of the proposed wholesale water rate increase to July 1, 2025.

Greensburg proposed to increase the wholesale water rate by \$0.274 per 1,000 gallons, or 12.4 percent, from \$2.206 to \$2.48. Greensburg responded to one information request from Commission Staff. Greensburg’s response is included as Appendix B to this Order.

LEGAL STANDARD

The Commission has exclusive jurisdiction over the rates and service of utilities and is charged with enforcing the provisions of KRS Chapter 278.<sup>1</sup> A city-owned utility is generally exempt from the Commission’s exclusive jurisdiction over utility rates and

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<sup>1</sup> KRS 278.040.

services.<sup>2</sup> However, pursuant to KRS 278.200, the Commission may, under the provisions of KRS Chapter 278

[o]riginate, establish, change, promulgate and enforce any rate of service standard on any utility that has been or may be fixed by any contract, franchise, or agreement between the utility and any city, and all rights, privileges, and obligations arising out of any such contract, franchise or agreement, regulating any such rate or service standard, shall be subject to the jurisdiction and supervision of the commission.<sup>3</sup>

The Kentucky Supreme Court held that a city providing utility service loses its exemption and “is rendered subject to the PSC rates and service regulation” when it enters into a contract to provide wholesale utility service to a public utility subject to the Commission’s jurisdiction.<sup>4</sup>

KRS 278.030 provides that a utility may collect fair, just and reasonable rates and that the service it provides must be adequate, efficient and reasonable. “Whenever any utility files with the commission any schedule stating new rates, the commission may, upon its own motion, and under reasonable notice, hold a hearing concerning the reasonableness of the new rates.”<sup>5</sup> Pending the final decision on a proposed schedule or rate, “. . . the commission may, at any time before the schedule becomes effective, suspend the operation of the schedule and defer the use of the rate, charge, classification,

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<sup>2</sup> See KRS 278.030(3) (excluding city utilities from the definition of utilities subject to Commission jurisdiction).

<sup>3</sup> KRS 278.200.

<sup>4</sup> *Simpson County Water District v. City of Franklin*, 872 S.W.2d 460, 463 (Ky. 1994); See *City of Russellville v. Public Service Com’n of Kentucky*, No. 2003-CA-002132-MR, 2005 WL 385077 (Ky, App. Feb. 18, 2005) (unpublished) (in which the court found that a city’s failure to provide water districts notice and file a proposed wholesale rate increase for water districts pursuant to the provision of KRS Chapter 278 and 807 KAR 5:011 prevented the city from charging the rate).

<sup>5</sup> KRS 278.190(1).

or service, for a period of up to five months beyond the time when it would otherwise go into effect if a historical test period is used, and up to six months if a forward-looking test period is used . . .”.<sup>6</sup>

### DISCUSSION

Having reviewed the proposed tariff and being otherwise sufficiently advised, the Commission finds that an investigation is necessary to determine the reasonableness of the proposed tariff and that such investigation cannot be completed by July 1, 2025. Pursuant to KRS 278.190(2), the Commission will, therefore, suspend the effective date of the proposed tariff for five months, up to and including November 30, 2025.

The Commission directs Greensburg to the Commission’s July 22, 2021 Order in Case No. 2020-00085<sup>7</sup> in which the Commission mandated the use of electronic filing procedures listed in 807 KAR 5:001, Section 8. Consistent with the filing procedures set forth in Case No. 2020-00085, the Commission finds that electronic filing procedures should be used.

The Commission further finds that a procedural schedule should be established to review the reasonableness of the proposed tariff. The procedural schedule is attached as Appendix A to this Order.

Additionally, any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001, Section 2, if the hearing is not concluded on the designated day, the

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<sup>6</sup> KRS 278.190(2).

<sup>7</sup> 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).

hearing may be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing. Hearings are held at the offices of the Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky. Witnesses who sponsor schedules, testimony, or responses to requests for information are expected to participate in person at a hearing.

IT IS THEREFORE ORDERED that:

1. This proceeding is established to investigate the reasonableness of the proposed tariff.
2. Greensburg's proposed tariff is suspended for five months from July 1, 2025, up to and including November 30, 2025.
3. Greensburg shall, by counsel, enter an appearance in this proceeding within seven days of the date of service of this Order. The entry of appearance shall include the name, address, telephone number, fax number, and electronic mail address of counsel.
4. Unless otherwise ordered by the Commission, the procedures set forth in 807 KAR 5:001, Section 8, related to service and electronic filing of papers shall be followed in this proceeding.
5. Pursuant to 807 KAR 5:001, Section 8(9), within seven days of the date of service of this Order, Greensburg shall file by electronic means a written statement that it waives any right to service of Commission Orders by United States mail and that it or its authorized agent possess the facilities to receive electronic submissions.
6. Unless a party granted leave to intervene states its objection to the use of electronic filing procedures in a motion for intervention, the party shall:

a. Be deemed to have consented to the use of electronic filing procedures and the service of all papers, including Orders of the Commission, by electronic means; and

b. Within seven days of the date of service of an order of the Commission granting intervention, file with the Commission a written statement that:

(1) It or its authorized agent possesses the facilities to receive electronic transmissions; and

(2) Sets forth the electronic mail address to which all electronic notices and messages related to this proceeding shall be served.

7. If a party objects to the use of electronic filing procedures and the Commission determines that good cause exists to excuse that party from the use of electronic filing procedures, service of documents on that party and by that party shall be made in accordance with 807 KAR 5:001, Section 4(8).

8. The procedural schedule set forth in the Appendix A to this Order shall be followed.

9. Greensburg shall respond to all requests for information propounded by Commission Staff, whether identified on the procedural schedule or otherwise, as provided in those requests.

10. 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, which 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 utility service consumed by the movant or a general statement regarding the potential impact of possible modification of rates will not be deemed sufficient to establish a special interest.

11. Any motion to intervene after the date established in the procedural schedule 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.

12. Greensburg shall give notice of the hearing in accordance with the provisions set forth in 807 KAR 5:001, Section 9(2). In addition, the notice of the hearing shall include the following statements: "This hearing will be streamed live and may be viewed on the PSC website, [psc.ky.gov](http://psc.ky.gov)" and "Public comments may be made at the beginning of the hearing. Those wishing to make oral public comments may do so by following the instructions listed on the PSC website, [psc.ky.gov](http://psc.ky.gov)." At the time publication is requested, Greensburg shall forward a duplicate of the notice and request to the Commission.

13. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

14. Any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001, Section 2, if the hearing is not concluded on the designated day, the hearing

shall be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing.

15. Witnesses who sponsor schedules, testimony, or responses to requests for information shall participate in person at any hearing scheduled in this matter.

16. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), a digital video recording shall be made of the hearing.

17. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

18. The Commission does not look favorably upon motions to substitute witnesses or excuse witnesses from testifying at Commission hearings. Accordingly, motions to substitute witnesses or excuse a witness from testifying at a Commission hearing or from testifying in person at a Commission hearing shall be made in writing at least 14 days prior to the hearing and will be granted only upon a showing of good cause.

19. The Executive Director shall serve a copy of this Order upon Green-Taylor District.

PUBLIC SERVICE COMMISSION

  
\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Vice Chairman

  
\_\_\_\_\_  
Commissioner

ATTEST:

   
\_\_\_\_\_  
Executive Director

ENTERED  
JUN 26 2025 jdc  
KENTUCKY PUBLIC  
SERVICE COMMISSION

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2025-00201 DATED JUN 26 2025

Requests for intervention shall be filed no later than ..... 07/15/2025

Initial requests for information to Greensburg  
shall be filed no later than ..... 07/25/2025

Greensburg shall file responses to  
initial requests for information no later than..... 08/08/2025

All supplemental requests for information to Greensburg  
shall be filed no later than ..... 08/22/2025

Greensburg shall file responses to supplemental requests  
for information no later than ..... 09/05/2025

Intervenor testimony, if any, in verified prepared  
form shall be filed no later than.... 09/12/2025

All requests for information to Intervenors shall  
be filed no later than ..... 09/26/2025

Intervenors shall file responses to requests for  
information no later than..... 10/10/2025

Greensburg shall file, in verified form, its rebuttal  
testimony no later than ..... 10/17/2025

Greensburg or any Intervenor shall request either a  
hearing or that the case be submitted for decision  
based on the record no later than ..... 10/24/2025

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2025-00201 DATED JUN 26 2025

SIX PAGES TO FOLLOW

**Rogness, Benjamin (PSC)**

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**From:** John Shuffett <greensburgmayor@gmail.com>  
**Sent:** Wednesday, June 11, 2025 12:19 PM  
**To:** Hinton, Daniel E (PSC)  
**Subject:** Re: City of Greensburg Updated Wholesale Rate

**This Message Originated from Outside the Organization**

This Message Is From an External Sender.

Report Suspicious

Mr. Hinton,

I have been informed by our auditors they have completed the FY2023 audit. I should have access to share that with you any day now.

*John Michael Shuffett*  
Greensburg Mayor  
110 West Court Street  
Greensburg, KY 42743

270-932-4298 - Office

On Wed, Jun 11, 2025 at 11:00 AM Hinton, Daniel E (PSC) <[dehinton@ky.gov](mailto:dehinton@ky.gov)> wrote:

Mayor Shuffett,

I was checking on the status of this. With the effective date being July 1, time is running out for Staff to review any additional supporting documentation. If Staff does not have adequate time to review such information, there is the possibility that the filing could be suspended into a formal case.

If you have any questions, please let me know.

Thanks.

Daniel

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**From:** John Shuffett <[greensburgmayor@gmail.com](mailto:greensburgmayor@gmail.com)>  
**Sent:** Wednesday, May 21, 2025 12:29 PM  
**To:** Hinton, Daniel E (PSC) <[dehinton@ky.gov](mailto:dehinton@ky.gov)>  
**Subject:** Re: City of Greensburg Updated Wholesale Rate

I will know soon, sir. I have a status call with Baldwin Associates tomorrow to discuss it.

*John Michael Shuffett*

Greensburg Mayor

110 West Court Street

Greensburg, KY 42743

270-932-4298 - Office

On Wed, May 21, 2025, 12:27 PM Hinton, Daniel E (PSC) <[dehinton@ky.gov](mailto:dehinton@ky.gov)> wrote:

Thanks. Do you have an estimate on when that may be completed?

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**From:** John Shuffett <[greensburgmayor@gmail.com](mailto:greensburgmayor@gmail.com)>  
**Sent:** Wednesday, May 21, 2025 12:21 PM  
**To:** Hinton, Daniel E (PSC) <[dehinton@ky.gov](mailto:dehinton@ky.gov)>  
**Cc:** [l.fields@greensburgonline.com](mailto:l.fields@greensburgonline.com); [k.darnell@greensburgonline.com](mailto:k.darnell@greensburgonline.com); Rogness, Benjamin (PSC) <[benjamin.rogness@ky.gov](mailto:benjamin.rogness@ky.gov)>; Bostrom, Peter (PSC) <[peter.bostrom@ky.gov](mailto:peter.bostrom@ky.gov)>  
**Subject:** Re: City of Greensburg Updated Wholesale Rate

Mr. Hinton,

Good afternoon! I have another audit nearing completion. I can provide you this as soon as it's available.

I trust you are doing well.

Respectfully,

John Shuffett

On Wed, May 21, 2025, 7:54 AM Hinton, Daniel E (PSC) <[dehinton@ky.gov](mailto:dehinton@ky.gov)> wrote:

Mayor Shuffett,

I was just checking in to see if Greensburg was going to be able to provide more support for the proposed rate based upon the emails below.

If you have any questions, please let me know.

Thanks.

Daniel

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**From:** Hinton, Daniel E (PSC)  
**Sent:** Thursday, April 3, 2025 9:49 AM  
**To:** John Shuffett <[greensburgmayor@gmail.com](mailto:greensburgmayor@gmail.com)>  
**Cc:** [l.fields@greensburgonline.com](mailto:l.fields@greensburgonline.com); [k.darnell@greensburgonline.com](mailto:k.darnell@greensburgonline.com); Rogness, Benjamin (PSC) <[benjamin.rogness@ky.gov](mailto:benjamin.rogness@ky.gov)>; Bostrom, Peter (PSC) <[peter.bostrom@ky.gov](mailto:peter.bostrom@ky.gov)>  
**Subject:** RE: City of Greensburg Updated Wholesale Rate

Since the contract does set forth a specific date for the rates to be revised, the proposed effective date will need to be July 1.

In regards to the support that was provided, the ultimate result was \$1.644 per 1,000 gallons while Greensburg was proposing a rate of \$2.482 per 1,000 gallons. Considering that the rates have not been revised in 15 years, Staff recognizes that the proposed increase appears modest on its face. However, we would still need something showing how the \$2.482 per 1,000 gallon rate was arrived at.

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**From:** John Shuffett <[greensburgmayor@gmail.com](mailto:greensburgmayor@gmail.com)>

**Sent:** Thursday, March 27, 2025 4:15 PM

**To:** Hinton, Daniel E (PSC) <[dehinton@ky.gov](mailto:dehinton@ky.gov)>

**Cc:** [l.fields@greensburgonline.com](mailto:l.fields@greensburgonline.com); [k.darnell@greensburgonline.com](mailto:k.darnell@greensburgonline.com); Rogness, Benjamin (PSC) <[benjamin.rogness@ky.gov](mailto:benjamin.rogness@ky.gov)>; Bostrom, Peter (PSC) <[peter.bostrom@ky.gov](mailto:peter.bostrom@ky.gov)>

**Subject:** Re: City of Greensburg Updated Wholesale Rate

Mr. Hinton, thank you.

1. I did not reference the contract with Green-Taylor, so if we are bound to a July 1 rate adjustment then we will, of course, adhere to it.

2. The audited financials provided to you are the two most recently-available. We are currently auditing the FY23 (ending June 30, 2023), and will begin the FY24 once that is complete. They are not complete, and so not readily available. Should one or both be available between now and July 1, I will of course provide them to you.

3. I'm not intimately-familiar with the referenced contract language, though I will review it. There is obviously a limited scope for the calculation of our cost to produce water, which I have provided you.

I'm not sure why what's provided is insufficient to support the proposed rate. Outside of Green-Taylor contesting our proposed rate, which seems unlikely given we are presently a full 44% cheaper than every other provider they purchase from. (\$2.20 vs. \$3.17 average of Campbellsville, Columbia, and Green River Valley)

Surely the Public Service Commission recognizes Greensburg's keen focus on the good of the consumer. We have held the line on prices for 15 years, while watching chemical, supply and personnel costs skyrocket.

I will review the contract and determine if there is anything additional we can possibly provide.

Respectfully,

*John Michael Shuffett*

Greensburg Mayor

[110 West Court Street](#)

[Greensburg, KY 42743](#)

270-932-4298 - Office

On Thu, Mar 27, 2025 at 2:14 PM Hinton, Daniel E (PSC) <[dehinton@ky.gov](mailto:dehinton@ky.gov)> wrote:

Mayor Shuffett,

In reviewing the documents submitted by the city of Greensburg, Staff noted a couple of areas of concern. Please see below.

- The contract on file with the Commission (see link below) indicates that the rate charged to Green-Taylor Water District is subject to modification on July 1 of each year. While it has been approximately 15 years since Greensburg has revised the rate, explain why Greensburg did not propose a July 1 effective date to align with the contract provision.
- The two audits submitted were for the years ended June 30, 2021 and June 30, 2022. Are those the most recent completed audits Greensburg has? If not, please provide the most recent completed audit.
- The contract on file with the Commission has specific provisions related to how certain costs are to be treated. Provide a detailed calculation that supports the proposed rate of \$2.482 that reflects the calculation language stated in the contract..

You can email the response to us at the above addresses.

If you have any questions, please let us know.

Thanks.

Daniel

[1986-07-07\\_Water Purchase Contract.pdf](#)

\*John Michael Shuffett  
Mayor  
City of Greensburg City Hall  
110 W. Court Street  
Greensburg, KY 42743

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

\*City of Greensburg  
110 W. Court Street  
Greensburg, KY 42743-1557