

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF)	
GRAYSON COUNTY WATER DISTRICT AND)	
EDMONSON COUNTY WATER DISTRICT FOR)	
AN ORDER APPROVING THE TRANSFER OF)	
OWNERSHIP OF EDMONSON COUNTY WATER)	CASE NO.
DISTRICT'S GRAYSON COUNTY DISTRIBUTION)	2025-00330
SYSTEM AND AN ORDER AUTHORIZING THE)	
ISSUANCE OF SECURITIES BY GRAYSON)	
COUNTY WATER DISTRICT PURSUANT TO THE)	
PROVISIONS OF KRS 278.020, KRS 278.300,)	
AND 807 KAR 5:001)	

ORDER

On November 3, 2025, Grayson County Water District (Grayson District) and Edmonson County Water District (Edmonson District) (collectively, Joint Applicants) filed a joint application requesting Commission approval of the transfer of Edmonson District's Grayson County Distribution System to Grayson District pursuant to KRS 278.020(6), as well as approval for Grayson District to issue evidences of indebtedness pursuant to KRS 278.300 to finance the proposed acquisition.¹ This matter is directly tied to the application filed in Case No. 2025-00329 involving Edmonson District and Green River Valley Water District.² For the purposes of administrative efficiency, the Commission

¹ Grayson District and Edmonson District's Joint Application (Joint Application) (filed Nov. 3, 2026).

² Case No. 2025-00329, *Electronic Joint Application of Green River Valley Water District and Edmonson County Water District for an Order Approving the Transfer of Ownership of Edmonson County Water District's Hart County System and the Wax Water Treatment Plant and Approving Green River Valley Water District's Assumption of Certain Debt Obligations of Edmonson County Water District Pursuant to the Provisions of KRS 278.020, KRS 278.300, and 807 KAR 5:001* (filed Nov. 3, 2026).

finds that the record of Case No. 2025-00329 should be incorporated by reference into this proceeding. The matter now stands submitted for a decision.

Having considered the evidence of record, the Commission finds that there is insufficient evidence to support approval of the proposed transaction. The proposed acquisition is directly tied to the allocation of Edmonson District's existing indebtedness and, therefore, is inextricably linked to the related transaction proposed in Case No. 2025-00329.³ The record reflects that Edmonson District's existing water system indebtedness consists of six Rural Development (RD) Water Bonds and three Rural Water Financing Agency (RWFA) loans, and that the proposed transactions in Case Nos. 2025-00329 and 2025-00330 divide that existing indebtedness between the acquiring utilities.⁴ While the Joint Applicants requested approval pursuant to KRS 278.300, they failed to present sufficient evidence regarding the approvals necessary to accomplish the proposed allocation of the existing RD indebtedness, including the required RD approvals and loan servicing documents necessary for the Commission to evaluate the proposed financing associated with the transaction.

Without evidence of the approvals and financing documents necessary to accomplish the proposed allocation of Edmonson District's existing indebtedness, the Commission is unable to determine whether the statutory requirements of KRS 278.300 have been satisfied. The Commission therefore finds that additional evidence regarding

³ Case No. 2025-00329, *Electronic Joint Application of Green River Valley Water District and Edmonson County Water District for an Order Approving the Transfer of Ownership of Edmonson County Water District's Hart County System and the Wax Water Treatment Plant and Approving Green River Valley Water District's Assumption of Certain Debt Obligations of Edmonson County Water District Pursuant to the Provisions of KRS 278.020, KRS 278.300, and 807 KAR 5:001.*

⁴ Application at 12-15; and Edmonson District's Response to Commission Staff's First Request for Information (filed Jan. 13, 2026), Item 4.

the proposed financing and allocation of indebtedness is necessary before the transaction may be approved. Accordingly, the Commission is unable to reach a decision based on the merits of KRS 278.020 or the accompanying agreement, as requested in the application, based on the lack of information related to financing. The Commission encourages the Joint Applicants to further evaluate the financing associated with the proposed transaction, obtain the necessary RD approvals and supporting financing documentation, and re-file their application with the appropriate information for the Commission to fully evaluate the proposal.

IT IS THEREFORE ORDERED that:


1. The Joint Applicants' application is denied without prejudice.
2. The records in Case No. 2025-00329 are incorporated by reference into this matter.
3. This case is closed and removed from the Commission's docket.

Entered on this 2nd day of July, 2026.

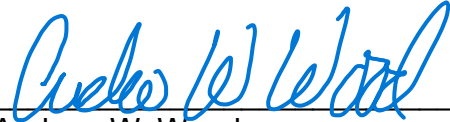
PUBLIC SERVICE COMMISSION



Angie Hatton
Chair



Mary Pat Regan
Vice Chair



Andrew W. Wood
Commissioner



Barry L. Mayfield
Commissioner

*by AH
w/permission*

ATTEST:



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Executive Director

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