

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matters of:

ELECTRONIC ALLEGED FAILURE OF)	CASE NO.
FOUNTAIN RUN WATER DISTRICT #1 TO)	2026-00008
COMPLY WITH COMMISSION ORDERS)	
ELECTRONIC APPLICATION OF FOUNTAIN)	CASE NO.
RUN WATER DISTRICT #1 FOR A RATE)	2026-00106
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

ORDER

On May 8, 2026, Fountain Run Water District #1 (Fountain Run District #1) filed a status update and request for waiver or extension in Case No. 2026-00008, which was opened to investigate Fountain Run District #1 for failing to timely file an Alternative Rate Filing (ARF) application pursuant to 807 KAR 5:076 and as required by final Order in Case No. 2024-00376.¹ The request for waiver or extension pertained to the ARF application tendered on April 30, 2026, in Case No. 2026-00106. Fountain Run District #1 subsequently filed a copy of the status update and request for waiver² or extension in Case No. 2026-00106 on May 15, 2026.

On April 30, 2026, the Commission rejected Fountain Run District #1's application because, among other issues, Fountain Run District #1 did not base its ARF on its most recent Annual Report as required by 807 KAR 5:076, Section 9. Fountain Run District #1

¹ Case No. 2024-00376, *Electronic Purchased Water Adjustment of Fountain Run Water District No.1* (Ky. PSC Jan. 7, 2025), Order at 6.

² The regulation, 807 KAR 5:076 Section 17, references a "deviation" not a waiver.

filed its 2025 Annual Report on March 31, 2026,³ but used a 2024 test year despite tendering its ARF application on April 30, 2026. The request for waiver or extension sought permission for Fountain Run District #1 to use a 2024 test year because the financial data would not result in a material difference, or in the alternative, be granted an extension until June 15, 2026, to include the 2025 information.⁴

Although 807 KAR 5:076, Section 9, states “The reasonableness of the proposed rates shall be determined using a twelve (12) month historical test period, adjusted for known and measurable changes, that coincides with the reporting period of the applicant’s annual report for the immediate past year,” Section 17 allows the Commission to permit deviations from 807 KAR 5:076 “[u]pon a showing of good cause” by written request.

Having reviewed the request and being advised, the Commission finds that the request for a deviation should be denied, and the request for extension should be granted. Allowing a brief delay in processing the case, until June 30, 2026, will result in greater accuracy in ratemaking due to using more recent financial data. The Commission notes that Fountain Run District #1 should comply with 807 KAR 5:076, Section 5, regarding customer notice and Section 8, regarding amendment of proposed rates.

Regarding the other two application deficiencies, the Commission finds that, pursuant to 807 KAR 5:076 Section 4(1)(h), Fountain Run District #1 still needs to file an ARF Form-3 for new board member Owen Lambert. However, as to the deficiency regarding content of customer notice, the Commission finds that it is moot because

³ Fountain Run Water District #1 subsequently filed an amended 2025 Annual Report on May 11, 2026 to add its Audit Report.

⁴ Status Update (filed May 15, 2026) at 2.

Fountain Run District #1 will be required by 807 KAR 5:076, Sections 5 and 8, to provide notice of its amended rates.

Fountain Run District #1's application will be deemed filed as of the date the amended ARF is filed if the application contains no deficiencies, or if deficient, will be deemed filed as of the date all amended ARF deficiencies are resolved.

IT IS THEREFORE ORDERED that:

1. Fountain Run District #1's request for deviation of 807 KAR 5:076, Section 9 requirements is denied, and Fountain Run District #1's request for extension to file an amended ARF application is granted.

2. On or before June 30, 2026, Fountain Run District #1 shall file an amended ARF application into the record of Case No. 2026-000106, including amendments to any documents that would change based on the use of 2025 financial data.

3. Fountain Run District #1 shall comply with 807 KAR 5:076, Sections 5 and 8.

4. Fountain Run District #1 shall file an ARF Form-3 for new board member Owen Lambert with its amended ARF application.

Entered on this 10th day of June, 2026.


PUBLIC SERVICE COMMISSION



Angie Hatton
Chair



Mary Pat Regan
Commissioner



Andrew W. Wood
Commissioner



Barry L. Mayfield
Commissioner

ATTEST:



Linda C. Bridwell, PE
Executive Director

Case No. 2026-00008
Case No. 2026-00106

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