

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SOUTH	)	CASE NO.
HOPKINS WATER DISTRICT FOR A RATE	)	2026-00193
ADJUSTMENT PURSUANT TO 807 KAR 5:076	)	

ORDER

On July 31, 2026,¹ South Hopkins Water District (South Hopkins District) filed its application with the Commission requesting an adjustment to its water rates pursuant to 807 KAR 5:076. South Hopkins District filed this proceeding in compliance with the final Order in Case No. 2025-00251.² In that proceeding, South Hopkins District was ordered to file an application by July 31, 2026, for either a general rate adjustment pursuant to 807 KAR 5:001, Section 16, or for an alternative rate adjustment (ARF) pursuant to 807 KAR 5:076 to ensure its revenue is sufficient to support adequate and reliable service.

In reviewing South Hopkins District's application, the Commission has determined that its customer notice is deficient pursuant to 807 KAR 5:076, Section 5(4)(c), and 807 KAR 5:076, Section 5(4)(d), in failing to include its unaccounted-for water loss surcharge. Commission regulation 807 KAR 5:076, Section 5(4)(c), and 807 KAR 5:076 Section 5(4)(d) require that a customer notice of rate changes in an ARF contain "[t]he amount of the change requested in both dollar amounts and percentage change for each

¹ South Hopkins District tendered its application on July 31, 2026. By Order dated August 18, 2026, the Commission granted a motion for Deviation and the application was deemed filed.

² See Case No. 2025-00251, *Electronic Purchased Water Adjustment Filing of South Hopkins Water District* (Ky. PSC Aug. 28, 2025), ordering paragraph 5.

customer classification to which the proposed rates will apply.”³ and “[t]he amount of the average usage and the effect upon the average bill for each customer classification to which the proposed rates will apply.”⁴ Even where the unaccounted-for water loss surcharge is not changed, its inclusion in the customer notice is required to properly calculate the percent increase to customer rates. However, requiring South Hopkins District to amend its customer notice, republish, and refile its application would result in an additional cost to ratepayers. Because the customer notice is otherwise substantially in compliance with applicable statutes and regulations, the Commission, on its own motion, finds that good cause exists to grant a deviation from the customer notice requirements pursuant to 807 KAR 5:076, Section 5(4)(c) and 807 KAR 5:076 Section 5(4)(d).

The Commission also finds that a procedural schedule⁵ should be established to ensure the orderly review of South Hopkins District’s application. The procedural schedule is attached as Appendix A to this Order.

In addition, South Hopkins District shall file on or before the date set forth in the procedural schedule its responses to the Commission Staff’s (Staff) request for information, attached to this Order as Appendix B, and shall respond to any future requests for information propounded by Staff by the date or dates set forth on any such requests.

³ 807 KAR 5:076, Section 5(4)(c).

⁴ 807 KAR 5:076, Section 5(4)(d).

⁵ No action is necessary to suspend the effective date of South Hopkins District’s proposed rates for service. Pursuant to 807 KAR 5:076, Section 7(1), an applicant who applies for a rate adjustment pursuant to the procedures set for in 807 KAR 5:076 may not place its proposed rates into effect until the Commission approves those rates or six months from the date of the filing of its application.

IT IS THEREFORE ORDERED that:

1. South Hopkins District is granted a deviation from the customer notice requirements in 807 KAR 5:076, Section 5(4)(c), and 807 KAR 5:076, Section 5(4)(d).
2. The procedural schedule set forth in Appendix A to this Order shall be followed.
3. On or before the date set forth in the procedural schedule, South Hopkins District shall file its responses to the Staff's request for information, attached to this Order as Appendix B.
4. South Hopkins District shall respond to any additional requests for information propounded by Commission Staff as provided in those requests.
5. No later than the date set forth in the procedural schedule, Staff shall file with the Commission and serve upon all parties of record a written report (Staff Report) containing its recommendations regarding South Hopkins District's requested rate adjustment.
6. No later than 14 days after the date of service of the Staff Report, each party of record shall file with the Commission:
 - a. Its written comments on and any objections to the findings contained in the Commission Staff Report; and
 - b. Any additional evidence for the Commission to consider.
7. If Staff recommends that South Hopkins District's financial condition supports a higher rate than South Hopkins District proposes or the assessment of an additional rate or charge not proposed in South Hopkins District's application, South Hopkins District in its response to the Staff Report shall also state its position in writing

on whether the Commission should authorize the assessment of the higher rate or the additional rate or charge.

8. If Staff recommends that changes should be made to the manner in which South Hopkins District accounts for the depreciation of South Hopkins District's assets, South Hopkins District in its response to the Staff Report shall also state its position in writing on whether the Commission should require South Hopkins District to implement the proposed change for accounting purposes.

9. A party's failure to file written objections to a recommendation contained in the Staff Report within 14 days after the date of the filing of the Staff Report shall be deemed a waiver of all objections to that finding.

10. If a party requests a hearing or informal conference, then the party shall make the request in its written comments and state the reason a hearing or informal conference is necessary.

11. A party's failure to request a hearing or informal conference in the party's written response shall be deemed a waiver of all rights to a hearing on the application and a request that the case stand submitted for decision.

12. A party's failure to file a written response within 14 days after the date of service of the Staff Report shall be deemed a waiver of all rights to a hearing on the application.

13. As set forth in 807 KAR 5:001, Section 4(11), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding that is not adequately represented in the case, or (2) that 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 the utility consumed by the movant or a general statement regarding a potential impact of possible modification of rates will not be deemed sufficient to establish a special interest.

14. Any motion to intervene filed after the date established in the procedural schedule attached as Appendix A to this Order 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.

15. The Commission directs the parties to the Commission's July 22, 2021 Order in Case No. 2020-00085⁶ regarding filings with the Commission.

⁶ 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).

Entered on this 1st day of September, 2026.

PUBLIC SERVICE COMMISSION



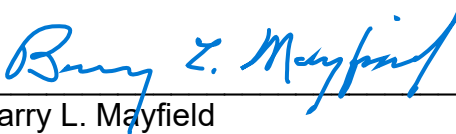
Angie Hatton
Chair



Mary Pat Regan
Vice Chair



Andrew W. Wood
Commissioner



Barry L. Mayfield
Commissioner

ATTEST:



Justin McNeil
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2026-00193 DATED SEP 01 2026

Requests for intervention shall be filed no later than 09/15/2026

All requests for information to South Hopkins District
shall be filed no later than 09/29/2026

South Hopkins District shall file responses to requests
for information no later than 10/06/2026

All supplemental requests for information to
South Hopkins District shall be filed no later than 10/20/2026

South Hopkins District shall file responses to supplemental
requests for information no later than 11/03/2026

Commission Staff's Report shall be filed no later than..... 01/11/2027

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2026-00193 DATED SEP 01 2026

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO SOUTH HOPKINS WATER DISTRICT

South Hopkins Water District (South Hopkins District), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on October 6, 2026. The Commission directs South Hopkins District to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

South Hopkins District shall make timely amendment to any prior response if South Hopkins District obtains information that indicates the response was incorrect or

¹ 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).

incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which South Hopkins District fails or refuses to furnish all or part of the requested information, South Hopkins District shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, South Hopkins District shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Provide the following information related to billing software:
 - a. Brand or common name for software.
 - b. State whether the software is locally installed on a utility-owned computer or is a subscription service that is internet based.
 - c. If locally installed, state the installation date.
 - d. State whether the system is still serviced by the manufacturer and whether the utility maintains a service contract.
2. Provide the following information related to general ledger software:
 - a. State if the billing software and general ledger software are integrated.

- b. Brand or common name for software.
 - c. State whether the software is locally installed on a utility-owned computer or is a subscription service that is internet based.
 - d. If locally installed, state the installation date.
 - e. State whether the system is still serviced by the manufacturer and whether the utility maintains a service contract.
3. Provide copies of each of the following and, when appropriate, provide in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.
- a. The general ledger in Excel spreadsheet format with all transactions for the year ended December 31, 2025, and year-to-date 2026.
 - b. The trial balance in Excel spreadsheet format for the year ended December 31, 2025, and year-to-date 2026.
 - c. Provide a cross-reference that matches each test-year general ledger account to each revenue and expense line that is reported in the Schedule of Adjusted Operations (SAO) and reconcile amounts that do not match the respective SAO line item.
4. Refer to the Application, Attachment 7, Depreciation History Report.
- a. Provide the Report in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.
 - b. Refer to Asset Group 05 Meters & Installation, assets 05-036 thru 05-041 and 05-106. Provide individual explanations for the reductions of the individual item costs.

5. Refer to the Application, SAO, Revenue Requirements Calculation, SAO Adjustment References. Provide all schedules used to support each proposed adjustment in Excel format. Component details of each schedule should tie to the general ledger accounts that comprise the test-year SAO line item including any adjustment for unreconciled amounts.

6. Refer to the Application, Current Billing Analysis 2025 Usage and Existing Rates and Proposed Billing Analysis 2025 Usage and Proposed Rates. Provide the billing analysis in Excel Spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

7. Refer to Application, Attachment 4, SAO, and Attachment 6, Current Billing Analysis – 2025 Existing Rates (Current Billing Analysis). South Hopkins District did not propose any adjustments to the proforma operating revenues for Metered Water Sales and Sales for Resale in the SAO even though the Current Billing Analysis produces higher revenues from Water Sales compared to the Test Year.

a. Explain why South Hopkins District did not propose any adjustments based on the Current Billing Analysis results.

b. State whether the Operating Revenues component of the SAO needs revision. If yes, provide updated SAO and Revenue Requirement Calculation forms.

8. Refer to Application, Attachment 6, Current Billing Analysis. Also refer to South Hopkins District's Annual Report for year 2025.

a. Explain the difference in gallons sold between the Current Billing Analysis and the 2025 Annual Report.

b. The Current Billing Analysis states that 256,894,322 gallons were sold, while the 2025 Annual Report reports 257,417,000 gallons were sold that results in a difference of 522,678 gallons. Reconcile and explain the difference.

9. Refer to Application, Attachment 6, Current Billing Analysis. Refer also to South Hopkins District's current Tariff.

a. Identify the location in South Hopkins District's Tariff that authorizes the \$29.04 rate for the 5/8- X 3/4-Inch Meters - Rate 2 Revenue by Rate Increment.

b. Explain why South Hopkins District is charging this rate and;

c. Provide the date and case number the charge was approved by the Commission.

10. Refer to the Application, SAO, provide an itemization of the Miscellaneous Service Revenues of \$8,639 and state whether each component will recur.

11. Using a table format, provide an Excel spreadsheet with all formulas, rows, and columns fully accessible and unprotected that lists each position (Position 1, Position 2, etc.) job titles, hours worked, pay rates, any bonus payments, total wages paid, and total FICA (both social security and Medicare) match cost for each employee for the years ended December 31, 2025, and year-to-date 2026. Overtime hours worked and paid at rates greater than the straight time pay rate should be separated from on call hours paid. Include the date the employee was hired and, if applicable, the employee's termination date. If a position is recently vacated but the intent is to fill it, note the vacancy and the amount of time that it has been vacant. The table should include a column for total wages by employee (regular wages and overtime) and a row for total wages for all employees. Employee names should be redacted from all documents.

a. Provide calculations by employee that support pro forma wages of \$360,865. This may be provided as a separate table or combined with the table above.

If a position is recently vacated but the intent is to fill it, note the vacancy and the amount of time that it has been vacant.

b. State the planned number of employees separated between full-time and part-time that make up the pro forma wage amount of \$392,805.

c. State whether yearly hours for full-time employees is 1950 hours (37.5 weekly) or 2080 hours (40 weekly).

d. For any part-time employees, state how many weekly hours the part-time is expected to work.

e. Provide a summary of overtime hours worked and cost that were due to vacant positions and thus will be eliminated when the vacant positions are filled.

f. For any bonuses, provide written personnel policies including a description of the measurement determinates.

12. Provide a complete description of each employee benefit, paid to or on behalf of each employee for test-year 2025. Supplemental coverage for which the employee pays 100 percent of the cost should also be included.

a. Provide a copy of one invoice for 2025 for each employee benefit described above.

b. State whether there were any significant changes to any benefit coverage described above subsequent to the test year.

c. Provide a copy of the most recent invoice for each employee benefit described above.

13. Provide certificates of insurance and most recent invoices for general liability, workers' compensation, automobile, property and casualty, and any other coverage for 2025 and 2026.

14. Purchased Water for 2025.

a. Provide gallons purchased, total cost, and average unit cost by month for each supplier and in total for all suppliers.

b. Reconcile reported gallons purchased in the annual report water statistics to the amounts reported in Item 11(a).

c. Provide the current per gallon price for each supplier.

15. Provide the minutes from South Hopkins District's commissioner meetings for 2025 and year-to-date 2026. Consider this a continuing request through the date of issuance of Commission Staff's Report.

a. Designate each action that authorizes hiring.

b. Designate each action that authorizes adjustments to wage rates, any other compensation (including bonuses), or fringe benefit actions.

16. Provide a document that lists the name of each commissioner for 2025 and 2026, their term (beginning and ending), and current authorized annual compensation.

a. State, individually, the amount of wages and each benefit (i.e., health insurance premiums, life insurance premiums, FICA taxes, etc.) paid to, or on the behalf of, each commissioner for each year.

b. Provide documentation from the Fiscal Court that authorizes each commissioner's appointment and compensation.

c. Provide training records for each commissioner for 2024, 2025 and 2026 or a statement that the individual has not attended training.

17. Provide the following information regarding the rate case expense.

a. State whether South Hopkins District plans to incur any expense related to the preparation of this rate case.

b. If so, provide a quote or invoice for the amount project or incurred.

c. State whether the amount projected is a fixed amount or describe what factors would cause the stated amount to increase or decrease.

d. State whether the expected rate case expense will be paid by South Hopkins District or a third party (i.e., grant funds).

18. Provide the following for new tap installations.

a. Number of installations during the test year.

b. State whether labor costs were capitalized and, if so, provide the total amount and designate the line in the fixed assets listing that reflects the capitalization.

c. State whether material costs were capitalized and, if so, provide the total amount and designate the line in the fixed assets listing that reflects the capitalization.

19. Refer to South Hopkin District's Tariff, PSC Ky. No. 2, Sheet No. 12, Billings, Meter Reading, and Related Information.

a. Provide the date that South Hopkins District's billing cycle begins (meter read date).

b. State whether the date that the billing cycle begins is the date that would be best stated as the effective date of any order the Commission issues concerning rates in this case.

20. State the last time South Hopkins District performed a cost-of-service study (COSS) to review the appropriateness of its current rates and rate design.

a. Explain whether South Hopkins District considered filing a COSS with the current rate application and the reasoning for not filing one.

b. Explain whether any material changes to South Hopkins District's system would cause a new COSS to be prepared since the last time it completed one.

c. If there have been no material changes to South Hopkins District's system, state when South Hopkins District's anticipates completing a new COSS.

d. Provide a copy of the most recent COSS that has been performed for South Hopkins District's system in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

21. Provide the number of occurrences and dollar amounts for late fees that were recorded during the test year.

22. Provide a schedule that lists the number of occurrences of each nonrecurring charge and the revenue amount that was recorded during 2025. Include nonrecurring charges for which there were no occurrences or reported revenue. Include the general ledger account numbers where each nonrecurring charge is recorded.

23. Provide updated cost justification sheets to support each nonrecurring charge listed in South Hopkins District's tariff.

24. Provide cost justification sheets to support any proposed new nonrecurring charges included in the application.

25. Provide updated cost justification sheets to support each Meter Connection/Tap-on Charge listed in South Hopkins District's tariff.

26. Refer to South Hopkin District's Tariff, PSC Ky. No. 2, Sheet No. 4, Rates and Charges. Also refer to the Application, Attachments 4, SAO. Also refer to the Application, Attachment 5, Revenue Requirement Calculation – Operating Ratio Method. South Hopkin District charges a Monthly Water loss reduction surcharge of \$3.50 per customer per month. Identify the location in the SAO or the Revenue Requirement Table where South Hopkins District recorded the amount collected.

27. Refer to South Hopkin District's last Alternative Rate Case.² Identify if South Hopkins District has investigated the possible merger with nearby utilities or the city of Dawson Springs; if not a full merger has South Hopkin District investigated the sharing of resources, positions, professional consultants or equipment costs. If so, provide the results of the investigation.

28. Refer to Application, 12SHWD Attachment 8.

a. For the outstanding debt issuance, provide the Commission case number in which South Hopkins District was authorized to issue the debt.

b. Provide a copy of any loan agreements, including short-term debts (including notes and credit lines), South Hopkins District entered into during 2025 and 2026, including any debts with zero outstanding balances.

² Case No. 2022-00122, *Electronic Application of South Hopkins Water District for an Alternative Rate Adjustment* (Ky. PSC Feb. 14, 2023), Order at 14–15, Cost-Saving Investigation.

c. For any debts, describe the purpose of each and provide the highest amount utilized during each of 2025 and 2026.

Service List for Case 2026-00193

* David P. Foster
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101 Burch Court
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* South Hopkins Water District
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