COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION FOR A FORMAL MOTION FINDING THAT NO MODIFICATION OF PRESENT RATES IS NECESSARY	)))	CASE NO. 2026-00210

O R D E R

On July 30, 2026, Christian County Water District (Christian District), by counsel, filed a motion requesting that the Commission find that no modification of its present rates is necessary and that it had satisfied ordering paragraph 5 of the Commission's October 15, 2025 Order in Case No. 2025-00309.[1]

In ordering paragraph 5 of the October 15, 2025 Order, the Commission required Christian District, on or before July 31, 2026, to file an application for a general rate adjustment pursuant to 807 KAR 5:001, Section 16, an application for an alternative rate adjustment pursuant to 807 KAR 5:076, or a formal motion supported by a detailed analysis of its rates and revenues explaining why no modifications were necessary.[2]

In support of its motion, Christian District submitted a rate study prepared by Kentucky Rural Water Association (KRWA) using the calendar year 2025 test year and adjustments for known and measurable changes.[3] The original study indicated an annual

[1] Formal Motion for Finding That No Modification of Present Rates Is Necessary (Motion) (filed July 30, 2026) at 1 and 3.

[2] Case No. 2025-00309, *Electronic Purchased Water Adjustment Filing of Christian County Water District* (Ky. PSC Oct. 15, 2025), Order at 7, ordering paragraph 5.

[3] Motion at 2, paragraph 3, and Exhibits 1-2.

revenue deficiency of $8,177, or approximately 0.2 percent.[4] Christian District stated that its board reviewed the study and unanimously voted not to increase rates at its July 23, 2026 meeting.[5]

Commission Staff issued its first request for information on August 21, 2026.[6] Christian District filed its responses to the first request on September 9, 2026.[7] Commission Staff held an informal conference on September 17, 2026, to obtain clarification of those responses.[8] Commission Staff issued its second request for information on September 23, 2026.[9] On October 19, 2026, Christian District filed its responses to the second request and a further revised rate-study workbook (Revised B Workbook).[10]

KRS 278.030(1) permits a utility to demand, collect, and receive fair, just and reasonable rates for the services it renders. KRS 278.040(7) authorizes the Commission to regulate utilities and enforce KRS Chapter 278, and KRS 278.040(8) provides the Commission exclusive jurisdiction over the regulation of utility rates and service. The

[4] Motion at 2, paragraph 5; Motion, Exhibit 1, Analysis and Recommendations for Water Rates (KRWA Report), Executive Summary and Revenue Requirements.

[5] Motion at 2, paragraph 6.

[6] Commission Staff's First Request for Information to Christian County Water District (issued Aug. 21, 2026).

[7] Christian District's Response to Commission Staff's First Request for Information (filed Sept. 9, 2026), Items 1-7 and accompanying exhibits.

[8] Informal Conference Memorandum (filed Sept. 18, 2026) at 1.

[9] Commission Staff's Second Request for Information to Christian County Water District (issued Sept. 23, 2026).

[10] Christian County Water District's Responses to the Commission Staff's Second Request for Information (Second Responses) (filed Oct. 19, 2026) at 1-2 and accompanying revised model, Christian_Cty_test_year_2025_Revised_B_(KRWA_FINAL).xlsx (Revised B Workbook).

Commission finds that the supplemented written record is sufficient to decide Christian District's motion.

By Order entered October 9, 2026, in Case No. 2026-00263, the Commission approved a purchased-water adjustment and the resulting rates for service rendered on and after October 1, 2026.[11] Christian District incorporated that adjustment into its Revised B Workbook.[12] The Commission therefore evaluated whether any further modification of the rates currently in effect is necessary.

The Revised B Workbook removed duplicated payroll-tax expenses and reversed noncash pension and other post-employment benefit credits for ratemaking purposes.[13] The workbook indicated an annual revenue deficiency of approximately $590, or 0.01 percent.[14] That result did not reflect all corrections identified in the accompanying responses.

Christian District identified a dental-insurance correction that would increase operating expenses by $870.45.[15] It also identified corrections to the treatment of water transported to the city of Crofton that would reduce purchased-water expense adjustments by approximately $24,444.84.[16] Christian District stated that those

[11] Case No. 2026-00263, Electronic Purchased Water Adjustment Filing of Christian County Water District (Ky. PSC Oct. 9, 2026), Order at 5-6, ordering paragraphs 1-3, and Appendix B.

[12] Second Responses at 1; Revised B Workbook, SAO tab, cells H7 and H62, and ExBA tab.

[13] Second Responses, Items 4(b) and 5(b); Revised B Workbook, SAO tab, cells F39-F40 and D42.

[14] Revised B Workbook, SAO tab, cells H62-H63. $590.0473 ÷ $4,651,329.4357 × 100 = approximately 0.01 percent.

[15] Second Responses at 2 and Item 6; accompanying Response_6_Insurance_Expense_Reconciliation_2025_(CCWD_Produced).xlsx, Revised B Model Reconciliation tab, cells B4-B6.

[16] Second Responses at 2 and Item 7.

corrections together would produce an annual revenue surplus of approximately $22,984.[17] Accordingly, the $590 deficiency shown in the workbook did not represent Christian District's fully corrected position.

Based on its review of the supplemented financial information, the Commission calculated the following revenue requirement for purposes of determining whether a modification of Christian District's existing rates is necessary:

Description	Christian County Water District	Commission Staff
Pro Forma Operating Expenses	$ 4,294,608	$ 4,250,743
Average Annual Principal and Interest Payments	574,624	574,624
Additional Working Capital at 20%	114,925	114,925
Total Revenue Requirement	4,984,156	4,940,292
Other Revenue ( )	(83,258)	(83,258)
Interest Income ( )	(4,108)	(4,108)
Sales for Resale	(17,878)	(17,878)
Interest and Dividend Income	(226,993)	(226,993)
Revenue Required From Water Sales	4,651,919	4,608,055
Revenue from Sales at Present Rates ( )	(4,651,329)	(4,651,329)
Required Revenue Increase / (Decrease)	$ 590	$ (43,274)
Percentage Increase / (Decrease)	0.01%	-0.93%

The Commission's calculation includes average annual debt service and an additional working-capital allowance equal to 20 percent of that amount. The resulting annual revenue surplus of approximately $43,274 represents less than one percent of revenues from water sales at existing rates. Given the limited difference between the

[17] Second Responses at 2.

calculated revenue requirement and those revenues, the Commission finds that no modification of Christian District's current rates is necessary at this time.

Christian District stated that it would continue to monitor its revenues and expenses and seek appropriate rate relief if future conditions warranted an adjustment. The Commission encourages Christian District to regularly evaluate its financial performance and seek a general or alternative rate adjustment when necessary to maintain adequate and reliable service.

The Commission finds that Christian District's timely motion and the detailed analysis, as supplemented, satisfy ordering paragraph 5 of the October 15, 2025 Order in Case No. 2025-00309. Christian District's motion should therefore be granted, its current rates should remain in effect, and this case should be closed.

IT IS THEREFORE ORDERED that:

1. Christian District's motion for a finding that no modification of its present rates is necessary is granted.

2. Christian District has satisfied ordering paragraph 5 of the Commission's October 15, 2025 Order in Case No. 2025-00309.

3. No modification of Christian District's present rates is necessary at this time. Christian District's current rates, as reflected in its tariff effective October 1, 2026, on file with the Commission, shall remain in effect.

4. This case is closed and removed from the Commission's docket.

Entered on this 12th day of November, 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

Service List for Case 2026-00210

* Christian County Water District
1940 Dawson Springs Road
P. O. Box 7
Hopkinsville, KY 42241-0007

* James G. Adams III
Thomas, Arvin & Adams, PLLC
1209 South Virginia Street
P.O. Box 675
Hopkinsville, KY 42241

* Mary E. Jocelyn
Thomas, Arvin & Adams, PLLC
1209 South Virginia Street
P.O. Box 675
Hopkinsville, KY 42241

* Denotes served by Email