

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | |
|-------------------------------------|------------|
| 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) | CASE NO. |
| WATER DISTRICT'S HART COUNTY) | 2025-00329 |
| 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) | |

**EDMONSON COUNTY WATER DISTRICT'S RESPONSE TO
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Edmonson County Water District submits its Response to Commission Staff's First Request for Information.

Dated: January 13, 2026

Respectfully submitted,

/s/ E. Kenly Ames

E. Kenly Ames
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CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, and the Public Service Commission's Order of July 22, 2021 in Case No. 2020-00085, I certify that this electronically filed document was transmitted to the Public Service Commission on January 13, 2026 and that there is currently no party in this proceeding that the Public Service Commission has excused from participation by electronic means.

/s/ E. Kenly Ames

E. Kenly Ames

SWORN CERTIFICATION AND VERIFICATION

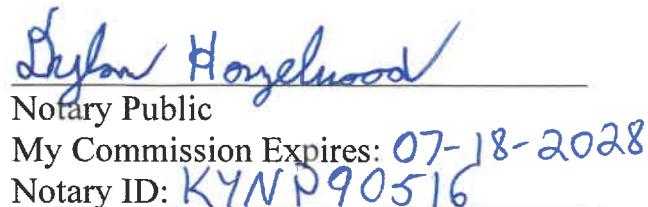
COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF EDMONSON)

The undersigned, Kevin Shaw, being duly sworn, deposes and states that he, as the General Manager of Edmonson County Water District, has personal knowledge of the matters set forth in the items for which he is identified as the witness in Edmonson County Water District's Response to the Commission Staff's First Request for Information in Kentucky Public Service Commission Case No. 2025-00329, and the information contained therein is true and correct to the best of his information, knowledge, and belief. Further, he certifies that he has supervised the preparation of this Response as required by 807 KAR 5:001, Section 4(12)(d)(2)(b), and that the Response is true and accurate to the best of his knowledge, information, and belief formed after reasonable inquiry.



Kevin Shaw, General Manager
Edmonson County Water District

Subscribed, sworn to, and acknowledged before me, a Notary Public in and for said County and State, this 12 th day of January, 2026.



Dylan Hargelwood
Notary Public
My Commission Expires: 07-18-2028
Notary ID: KYNP90516

Edmonson County Water District

Response to Commission Staff's First Request for Information
Case No. 2025-00329

Witness: Kevin Shaw

Q 1-1. Refer to Application, Item 16. State the current water loss percentage of the Hart County Water System.

A 1-1. The water loss percentage for the period December 2024-November 2025 for the entire Edmonson County Water District system was 33.56%. Edmonson County Water District is not able to isolate water loss attributable solely to the Hart County System and therefore is not able to state a current water loss percentage of the Hart County System.

Edmonson County Water District

Response to Commission Staff's First Request for Information
Case No. 2025-00329

Witness: Kevin Shaw

Q 1-2. Refer to Application, Item 17, explain if there has been any recent degradation of service/reliability, or other major problem with the Hart County Water System and the Wax Water Treatment Plant (WTP).

A 1-2. Edmonson County Water District is not aware of any recent degradation of service/reliability or other major problems with the Hart County Water System and the Wax WTP. Green River Valley Water District has been operating the Hart County Water System and the Wax WTP since July 2025 and has not advised Edmonson County Water District of any such issues. Instead, Green River Valley Water District has advised Edmonson County Water District of numerous improvements it has made including, among other things, ensuring full staffing of certified operators and addressing maintenance that Edmonson County Water District had to defer due to lack of resources.

Edmonson County Water District

Response to Commission Staff's First Request for Information
Case No. 2025-00329

Witness: Kevin Shaw

Q 1-3. Refer to Application, Item 18, provide the anticipated journal entries by Uniform System of Accounts (UsoA) Account Numbers to record the purchasing transactions.

A 1-3. Edmonson County Water District interprets this request to seek the anticipated journal entries by Uniform System of Accounts (UsoA) Account Numbers to record the selling transactions. The requested journal entries are provided below, subject to adjustment when the final accumulated depreciation and purchase price are calculated at closing.

| JOURNAL ENTRY TO RECORD SALE OF ASSETS TO GREEN RIVER | | | |
|---|--------------------------------------|--------------|---------------|
| <u>ACCT #</u> | <u>ACCOUNT</u> | <u>DEBIT</u> | <u>CREDIT</u> |
| 303 | Land & Land Rights | 426,253.22 | |
| 304 | Structures & Improvements | 1,158,040.18 | |
| 306 | Lake, River & Other Intakes | 233,332.34 | |
| 310 | Power Generated Equip | 26,282.43 | |
| 311 | Pumping Equipment | 356,101.67 | |
| 320 | Water Treatment Equipment | 846,926.95 | |
| 330 | Distribution Reservoirs & Standpipes | 489,775.43 | |
| 331 | Transmission & Distribution Mains | 2,631,805.96 | |
| 333 | Services | 240,727.72 | |
| 334 | Meters | 292,162.01 | |
| 334 | Meter Installations | 250,180.07 | |
| 335 | Hydrants | 31,307.84 | |
| 339 | Other Plant & Misc Equip | 793.55 | |
| 340 | Office Furniture & Equipment | 1,322.28 | |
| 344 | Laboratory Equipment | 6,412.83 | |
| 346 | Communication Equipment | 143,811.45 | |
| 347 | Miscellaneous Equipment | 1,164.67 | |
| | Accumulated Depreciation | 3,402,623.41 | |
| 221 | Bonds Payable | 4,355,500.00 | |
| | Cash | 254,300.00 | |
| 414 | Gain(Loss)/Sale of Asset | | 876,022.81 |

Edmonson County Water District

Response to Commission Staff's First Request for Information
Case No. 2025-00329

Witness: Kevin Shaw

Q 1-4. Refer to Application, Item 18, provide the anticipated journal entries by USoA Account Numbers to record the sale of assets and associated depreciation impacts.

A 1-4. Edmonson County Water District interprets this request to seek the anticipated journal entries by USoA Account Numbers to record the sale of assets and the associated reduction in depreciation expense. The anticipated journal entries to reflect the sale of assets and the associated depreciation impact are provided below.

| ACCT # | ACCOUNT | DEBIT | CREDIT | REDUCTION IN ANNUAL DEPRECIATION EXPENSE |
|--------|--------------------------------------|---|--------------|--|
| 303 | Land & Land Rights | | 426,253.22 | |
| 304 | Structures & Improvements | | 1,158,040.18 | 26,775.83 |
| 306 | Lake, River & Other Intakes | | 233,332.34 | 5,498.47 |
| 310 | Power Generated Equip | | 26,282.43 | |
| 311 | Pumping Equipment | | 356,101.67 | 5,420.38 |
| 320 | Water Treatment Equipment | | 846,926.95 | 2,841.60 |
| 330 | Distribution Reservoirs & Standpipes | | 489,775.43 | 10,883.89 |
| 331 | Transmission & Distribution Mains | | 2,631,805.96 | 42,727.77 |
| 333 | Services | | 240,727.72 | 4,232.97 |
| 334 | Meters | | 292,162.01 | 8,143.53 |
| 334 | Meter Installations | | 250,180.07 | 6,980.13 |
| 335 | Hydrants | | 31,307.84 | 629.19 |
| 339 | Other Plant & Misc Equip | | 793.55 | |
| 340 | Office Furniture & Equipment | | 1,322.28 | |
| 344 | Laboratory Equipment | | 6,412.83 | 366.44 |
| 346 | Communication Equipment | | 143,811.45 | |
| 347 | Miscellaneous Equipment | | 1,164.67 | |
| | Accumulated Depreciation | 3,402,623.41 | | |
| 221 | Bonds Payable | 4,355,500.00 | | |
| | Cash | 254,300.00 | | |
| 414 | Gain(Loss)/Sale of Asset | | 876,022.81 | |
| | | Total reduction in annual depreciation expense: | | 114,500.20 |

Edmonson County Water District

Response to Commission Staff's First Request for Information
Case No. 2025-00329

Witness: Kevin Shaw

Q 1-5. **Individually, provide the feet of asbestos cement pipe, galvanized pipe, unlined cast iron pipe, and lead pipe currently serving the Hart County Water System customers. If the Hart County Water System has any of these types of pipes, provide a map of the service territory and identify each type of pipe on the map of the service territory.**

A 1-5. Edmonson County Water District has not identified any asbestos cement pipe, galvanized pipe, unlined cast iron pipe, or lead pipe currently serving Hart County Water System customers.

Edmonson County Water District

Response to Commission Staff's First Request for Information
Case No. 2025-00329

Witness: Kevin Shaw

Q 1-6. Refer to Application, Exhibit 18. Provide the total initial cost and accumulated depreciation amount for each USoA Account Number provided in Exhibit 18.

A 1-6. Edmonson County Water District interprets this request to refer to Application, Exhibit 17. The total initial cost and accumulated depreciation amounts for each UsoA Account Number are shown below.

| TOTAL INITIAL COST AND ACCUMULATED DEPRECIATION FOR EACH ASSET CATEGORY | | | |
|---|--------------------------------------|--------------------|---------------------------------|
| <u>ACCT #</u> | <u>ACCOUNT</u> | <u>INTIAL COST</u> | <u>ACCUMULATED DEPRECIATION</u> |
| 303 | Land & Land Rights | 426,253.22 | - |
| 304 | Structures & Improvements | 1,158,040.18 | 644,729.59 |
| 306 | Lake, River, & Other Intakes | 233,332.34 | 152,483.33 |
| 310 | Power Generated Equip | 26,282.43 | 10,600.65 |
| 311 | Pumping Equipment | 356,101.67 | 164,066.87 |
| 320 | Water Treatment Equip | 846,926.95 | 507,280.02 |
| 330 | Distribution Reservoirs & Standpipes | 489,775.43 | 278,492.58 |
| 331 | Transmission & Distribution Mains | 2,631,805.96 | 1,384,561.99 |
| 333 | Services | 240,727.72 | 116,455.63 |
| 334 | Meters | 292,162.01 | 18,563.71 |
| 334 | Meter Installations | 250,180.07 | 61,493.02 |
| 335 | Hydrants | 31,307.84 | 10,761.07 |
| 339 | Other Plant & Misc Equip | 793.55 | 793.55 |
| 340 | Office Furn & Equip | 1,322.28 | 1,322.28 |
| 344 | Laboratory Equipment/Trt Plt | 6,412.83 | 958.53 |
| 346 | Communication Equipment | 143,811.45 | 48,895.91 |
| 347 | Miscellaneous Equipment | 1,164.67 | 1,164.67 |
| | | 7,136,400.60 | 3,402,623.41 |

Edmonson County Water District

Response to Commission Staff's First Request for Information
Case No. 2025-00329

Witness: Kevin Shaw

Q 1-7. Refer to Application, The Proposed Transaction, pages 10-17.

Provide a breakdown of the revenue requirement impact of the project including the following items:

- a. Net operating revenue increase or decrease by expense component;**
- b. Net operating expense increase or decrease by expense component;**
- c. Annual depreciation, including calculations, for each component for which there are different depreciation lives;**
- d. Annual debt service for each debt component;**
- e. Twenty percent working capital on debt service amounts in item 7(d);**
- f. Total of all items above.**

A 1-7. As shown in the responses below, the sale of the Grayson County System to Grayson County Water District (*see* Case No. 2025-00330) and the Hart County System and Wax Water Treatment Plant to Green River Valley Water District are collectively estimated to have a positive revenue requirement impact for Edmonson County Water District of

approximately \$421,988.

With the exception of A 1.4(c), Edmonson County Water District is not able to isolate the revenue and expense impacts attributable solely to the sale of the Hart County System and Wax WTP and therefore provides these responses based on the anticipated impact of the transaction as a whole.

The same information contained in this response will be provided in response to Question 4 in Commission Staff's First Request for Information Edmonson County Water District in Case No. 2025-00330.

A 1-7(a) Edmonson County Water District interprets this question to be seeking the anticipated net operating revenue increase or decrease by revenue component. The anticipated decrease in annual revenue is as follows:

| | | |
|----------|-------------------------------|------------------------|
| REVENUE | Annual Water Sales | \$ (719,522.00) |
| DECREASE | Forfeited Discounts | \$ (23,870.00) |
| | Miscellaneous Service | \$ (53,884.00) |
| | Total Revenue Decrease | \$ (797,276.00) |

A 1-7(b) The anticipated decrease in annual operating expenses is as follows:

| | | |
|-------------------|---|------------------------|
| OPERATING EXPENSE | Water Treatment Plant | \$ (354,190.00) |
| DECREASE | Purchased Water | \$ (117,370.00) |
| | Distribution | \$ (153,101.00) |
| | Accounting & Collecting | \$ (5,706.00) |
| | Admin & General | \$ (14,479.00) |
| | Total Operating Expense Decrease | \$ (644,846.00) |

A 1-7(c) The reduction in annual depreciation expense attributable to the sale of assets to Grayson County Water District and Green River Valley Water District is set out below.

| <u>ACCT #</u> | <u>ACCOUNT</u> | <u>LIFE IN YEARS</u> | <u>GRAYSON REDUCTION IN ANNUAL DEPRECIATION EXPENSE</u> | <u>GREEN RIVER REDUCTION IN ANNUAL DEPRECIATION EXPENSE</u> | <u>TOTAL REDUCTION IN ANNUAL DEPRECIATION EXPENSE</u> |
|---|--------------------------------------|----------------------|---|---|---|
| 303 | Land & Land Rights | n/a | | | |
| 304 | Structures & Improvements | 37.5 | | 26,775.83 | 26,775.83 |
| 306 | Lake, River & Other Intakes | 40 | | 5,498.47 | 5,498.47 |
| 311 | Pumping Equipment | 20 | | 5,420.38 | 5,420.38 |
| 320 | Water Treatment Equipment | 27.5 | | 2,841.60 | 2,841.60 |
| 330 | Distribution Reservoirs & Standpipes | 45 | 30,848.61 | 10,883.89 | 41,732.50 |
| 331 | Transmission & Distribution Mains | 62.5 | 62,280.64 | 42,727.77 | 105,008.41 |
| 333 | Services | 40 | 7,332.71 | 4,232.97 | 11,565.68 |
| 334 | Meters | 40 | 14,106.91 | 8,143.53 | 22,250.44 |
| 334 | Meter Installations | 45 | 12,091.57 | 6,980.13 | 19,071.70 |
| 335 | Hydrants | 50 | 1,089.94 | 629.19 | 1,719.13 |
| 344 | Laboratory Equipment | 17.5 | | 366.44 | 366.44 |
| Total reduction in annual depreciation expense: | | | 127,750.37 | 114,500.20 | 242,250.57 |

A 1-7(d) Edmonson County Water District's current debt obligations relating to its water system consist of six (6) RD Water Bonds and three (3) Rural Water Financing Agency Loans. Edmonson County Water District also has one (1) RD Bond relating to its sewer system.

Green River Valley proposes to assume five (5) of the RD Water Bonds in this transaction.¹ Those five (5) RD Bonds are listed below:

¹ Edmonson County Water District plans to retain one (1) RD Water Bond with an outstanding principal balance of \$137,500 as of August 1, 2025 (Bond Issue 2013B, RD Loan Number 99396-41, Original Principal Amount \$160,000, Maturity 1/1/2054, Interest Rate 3.00%). Edmonson County Water District is retaining that RD Water Bond to maintain the territorial protection under federal law (7 U.S.C. §1926(b)).

| Bond Issue | RD Loan Number | Original Principal Amount | Maturity | Interest Rate | Outstanding Principal Balance |
|--|-----------------------|----------------------------------|-----------------|----------------------|--------------------------------------|
| 2001A | 99391-20 | \$3,837,000 | 1/1/2041 | 3.25% | \$2,079,000 |
| 2010A | 99393-35 | \$ 570,000 | 1/1/2050 | 2.25% | \$ 421,500 |
| 2010B | 99394-37 | \$ 700,000 | 1/1/2050 | 2.25% | \$ 517,500 |
| 2013A | 99395-39 | \$ 504,000 | 1/1/2054 | 2.1250% | \$ 407,500 |
| 2019 | 99397-43 | \$1,032,000 | 1/1/2060 | 1.50% | \$ 930,000 |
| Note: Outstanding Principal Balances as of June 15, 2026 | | | | TOTAL: | \$4,355,500 |

The average annual debt service on these RD bonds is:

Average Annual Principal Payment: \$175,000

Average Annual Interest Payment: \$101,806

Total Average Annual Debt Service: \$276,806

Edmonson County Water District expects that the assumption of those five (5) RD Bonds by Green River Valley Water District will reduce its annual debt expense by \$276,806.

A 1-7(e) Twenty percent working capital on the five (5) RD Bonds that Green River Valley Water District proposes to assume is \$55,361. Thus, this transaction will reduce Edmonson County Water District's working capital by \$55,361.

A 1-7(f) The total impact on the revenue requirement for Edmonson County Water District as a whole is presented in the table below.

In total, **revenue** from water sales is expected to **decrease** by \$797,276, but **expenses** will **decrease** by \$1,219,264, resulting in a net benefit to Edmonson County Water District from this transaction of \$421,988.

| | | |
|-------------------------------------|--|--|
| REVENUE DECREASE | Annual Water Sales Decrease Forfeited Discounts Decrease Misc Service Revenue Decrease | \$ (719,522.00) \$ (23,870.00) \$ (53,884.00) |
| | Total Revenue Decrease | \$ (797,276.00) a |
| OPERATING EXPENSE DECREASE | Water Treatment Plant Purchased Water Distribution Accounting & Collecting Admin & General | \$ (354,190.00) \$ (117,370.00) \$ (153,101.00) \$ (5,706.00) \$ (14,479.00) |
| | Total Operating Expense Decrease | \$ (644,846.00) b |
| NONOPERATING EXPENSE DECREASE | Depreciation Debt Service Working Capital on Debt Service | \$ (242,251.00) c \$ (276,806.00) d \$ (55,361.00) e |
| | Total Nonoperating Expense Decrease | \$ (574,418.00) |
| | Total Expense Decrease | \$ (1,219,264.00) |
| | Net Benefit | \$ 421,988.00 f |

In addition, Edmonson County Water District will receive an estimated \$4,525,680 in cash for the purchase price for the Grayson County System. Edmonson County Water District intends to place those funds in an interest-bearing account. The proceeds and interest generated will be used to make the debt payments for the three (3) RWFA Loans and the one (1) remaining RD Water Bond, which total approximately \$547,138 annually. The proceeds will also be used to fund improvements to the Brownsville Water Treatment Plant.