

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)
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)**

**CASE NO.
2025-00329**

**RESPONSE OF
GREEN RIVER VALLEY WATER DISTRICT
TO
COMMISSION STAFF'S
FIRST REHEARING REQUEST FOR INFORMATION
DATED AUGUST 26, 2026**

Filed September 11, 2026

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**RESPONSE OF GREEN RIVER VALLEY WATER DISTRICT
TO COMMISSION STAFF'S
FIRST REHEARING REQUEST FOR INFORMATION**

Green River Valley Water District ("Green River Valley" or the "District") submits its Response to Commission Staff's First Rehearing Request for Information.

/s/Tina C. Frederick
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Lexington, Kentucky 40507
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damon.talley@skofirm.com

*Counsel for Green River Valley Water
District*

CERTIFICATE OF SERVICE

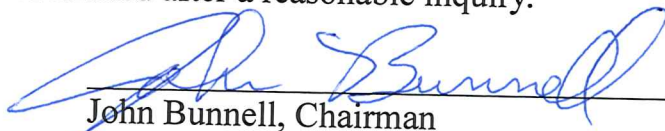
In accordance with the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on September 11, 2026; and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.

/s/Tina C. Frederick
Tina C. Frederick

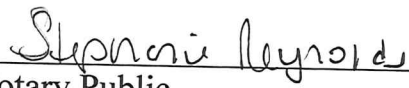
SWORN CERTIFICATION AND VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF HART)

The undersigned, John Bunnell, being duly sworn, deposes and states that he as the Chairman of the Board of Commissioners of Green River Valley Water District, has personal knowledge of the matters set forth in the items for which he is identified as the witness in Green River Valley Water District's Response to Staff's First Rehearing 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 a reasonable inquiry.


John Bunnell, Chairman
Green River Valley Water District

Subscribed, sworn to, and acknowledged before me, a Notary Public in and for said County and State, this 11th day of September 2026.


Notary Public

My Commission Expires: 1-28-2030

Notary ID: 16NP42569

GREEN RIVER VALLEY WATER DISTRICT

Case No. 2025-00329

Response to Commission Staff's Third Request for Information

Question No. Rehearing 1-1

Responding Witness: John Bunnell, Chairman, Board of Commissioners

Q R1-1. Provide a letter from USDA Rural Development or a statement signed by an authorized representative of Green River Valley District confirming whether Green River Valley District's assumption of approximately \$4,355,500 of Edmonson County Water District's USDA Rural Development debt will, by itself, require an increase in the rates charged to the customers who were served by Green River Valley District prior to the proposed transaction.

- a. Identify and provide any financial information supporting the conclusion of the letter or statement.**
- b. If Green River Valley District cannot confirm that the debt assumption will not require a rate increase, explain why and describe any anticipated rate effect, including the rate classes affected, the estimated amount, and timing of the increase with supporting calculations and documentation.**

A R1-1a. Attached to this response as **Attachment R1-1** is a letter from John Bunnell, Chairman of Green River Valley District's Board of Commissioners, stating that no increase in Green River Valley District's rates will be necessary solely due to the proposed assumption of approximately \$4,355,500 of Edmonson's District's water division RD debt and the operations and maintenance expense associated with the

Wax WTP and Edmonson's Hart County System. Filed separately as **Attachment R1-2** is a 13-month cashflow summary of Green River Valley District's operation of the Wax WTP and Edmonson's Hart County System in Excel format with all formulas visible and unlocked. This summary includes the revenue and expenses (including depreciation expense) for each month Green River Valley District has operated the Wax WTP and Edmonson's Hart County System pursuant to the Operations Agreement currently in place, as well as the anticipated principal and interest payments on the debt that Green River Valley District proposes to assume.

Using 13 months of **actual** revenues and expenses, Green River Valley District prepared a 12-month pro forma revenue requirement calculation. The proposed acquisition of Edmonson District's Hart County System and the Wax WTP by Green River Valley District is estimated to have a positive revenue requirement impact of approximately **\$158,814**.

The impact on the revenue requirement is presented in the table below.

Revenue Requirement Element	Expense Amount	Revenue Amount
Expected Revenue		
From Wholesale Sales		\$ 205,279
From Retail Sales		\$ 989,124
Total Revenue Increase		\$ 1,194,403
Expected Expenses		
Operating Expense	\$ 605,810	
Depreciation Expense	97,614	
Annual Debt Service	276,804	
Additional Working Capital	55,361	
Total Increase to Revenue Requirement (Increased Expenses)	\$ 1,035,589	
Calculation of Overall Impact:		
Total Revenue Increase	\$1,194,403	
Minus Increased Expenses	<u>-1,035,589</u>	
Total Excess Revenue	\$ 158,814	

AR1-1b. Green River Valley District has confirmed a rate increase **will not** be required solely due to the proposed RD debt assumption that Green River Valley District proposes in conjunction with the acquisition of the Wax WTP and Edmonson's Hart County System.

Attachment R1-1

Statement of John Bunnell, Chairman
Green River Valley Water District
Board of Commissioners

Green River Valley Water District

	1180 East Main Street	
DISTRICT COMMISSIONERS	P.O. Box 460	
John Bunnell, Chairman	Horse Cave, KY 42749	Pat Ross, Attorney
Leland Glass	(270) 786-2134	
Pat Tucker	Fax (270) 786-5261	
Debbie Fowler	TTY 1-800-773-2135	
Adrian Gossett, Secretary	Andrew Tucker, General Manager	

September 11, 2026

Mr. Justin McNeil
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

Re: Proposed Acquisition of Edmonson County Water District's Hart County Assets
Case No. 2025-00329

Dear Mr. McNeil:

In response to Commission Staff's First Rehearing Request for Information, I am providing this Statement concerning the effect of Green River Valley Water District's (GRVWD) acquisition of Edmonson County Water District's Hart County assets and the Wax Water Treatment Plant (Hart County System and Wax WTP) and the assumption of approximately \$4,355,500 of Edmonson County Water District's existing USDA Rural Development (RD) debt on the rates for water service required by GRVWD.

I have carefully reviewed GRVWD's revenues and expenses as given to me by our office personnel, and I have concluded that the proposed transfer of assets and the accompanying assumption of debt **will not** by itself, require an increase in the rates charged to customers who were served by GRVWD prior to the proposed acquisition. Any future material infrastructure improvements to plant or distribution, could impact the need for a future rate change. The current revenue obtained by GRVWD through the sales of wholesale water to Grayson County Water District and the retail sales to customers of the Hart County System is sufficient to offset the current additional maintenance and operations expense associated with the Hart County System and the Wax WTP and to absorb the additional debt service on the proposed assumption of RD debt. GRVWD's Board regularly reviews the sufficiency of the District's rates and takes its responsibility to manage the District's finances very seriously.

I am a Certified Public Accountant and have been licensed in Kentucky since 1995. In addition to serving as Chairman of the Board of Commissioners for GRVWD, I also serve on the boards of directors of the Hart County Industrial Authority, the Hart County Ambulance Service, the Hardyville Volunteer Fire Department, as well as serving as the treasurer of the Hart County Farm Bureau. I will provide summary workpapers and calculations to support my conclusion that no rate increase will be necessary solely due to GRVWD's assumption of approximately \$4,355,500 RD debt. Those calculations will be filed along with this statement in the record of Case No. 2025-00329.

In general support of the proposed transaction, I would like to add that when GRVWD was approached concerning this transfer nearly two years ago, the Board gave careful consideration to the effect on the District's current customers. We determined that it is in the best interest of GRVWD and the community as a whole for GRVWD to own and operate the Wax WTP and to provide service to the Hart County customers served by it. Doing so will enhance GRVWD's ability to provide adequate, efficient, and reasonable water service to our current customers and to those customers we will be gaining by virtue of the proposed transaction. Water is a life-sustaining vital resource. We take our responsibility to provide water service extremely seriously and would not take any action that would impair the ability of the District to continue to provide a high level of reliable service.

Sincerely,



John F. Bunnell, Chairman
Board of Commissioners
Green River Valley Water District