

Reasons for Application

In its final Order in Case No. 2024-00348, the Kentucky Public Service Commission directed Western Pulaski County Water District (District) to file either an application for a general rate adjustment pursuant to 807 KAR 5:001, Section 16, or an application for an alternative rate adjustment pursuant to 807 KAR 5:076 no later than July 31, 2026, based on a 2025 test year. In the alternative District Could submit a motion or shall file a formal motion with a detailed analysis of its rates and revenues, and a statement of the reasons why a rate case is not necessary. On June 20, 2026, District submitted its request for an extension to September 15, 2026, to submit its ARF Application. In its Order dated July 6, 2026, the Commission granted the requested extension

To comply with the July 6, 2026 Order District is filing this application in accordance with the Public Service Commission's Final Order in Case No. 2024-00348 dated January 7, 2025, The District is requesting a 13.42 percent rate increase for all of its water customers. The rate increase will generate approximately \$617,924 in additional annual revenue from water sales.

The District has ten long-term debt issuances outstanding. Basing the District's revenue requirement on Debt Service Coverage produces a working capital allowance sufficient to allow the District:

1. To pay its annual principal payments on its existing long-term debt from water revenues rather than from depreciation reserves;
2. To meet the requirements set forth in its existing debt instruments;
3. To restore the District to a sound financial condition; and
4. To enable the District to enhance its financial capacity so it can continue to operate its system in compliance with the federal Safe Drinking Water Act, as amended in 1996, and KRS Chapter 151