

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF GREEN RIVER)	CASE NO.
VALLEY WATER DISTRICT FOR ADJUSTMENT)	2023-00088
OF RATES)	

ORDER

On May 3, 2023, Green River Valley Water District (Green River Valley District) filed an application requesting to increase its rates pursuant to KRS 278.180, KRS 278.190, and 807 KAR 5:001, Section 16(1)(b)(1). The application was filed in compliance with the Commission’s Orders from March 10, 2020, and April 26, 2021, in Case No. 2019-00458.¹

BACKGROUND

Green River Valley District is a jurisdictional utility that provides retail water service to approximately 7,413 retail customers in the following Kentucky counties: Barren, Green, Hart, Larue, and Metcalfe.² Green River Valley District’s retail customers include 262 commercial customers.³ Green River Valley District also provides wholesale water

¹ Case No. 2019-00458, *Electronic Application of Green River Valley Water District to Issue Securities in the Approximate Principal Amount \$5,325,000 for the Purpose of Refunding Certain Outstanding Obligations of the District Pursuant to the Provisions of KRS 278.300 and 807 KAR 5:001* (Ky. PSC Mar. 10, 2020) and (Ky. PSC Apr. 26, 2022).

² Application at 3.

³ Application at 3.

service to the cities of Horse Cave and Munfordville, Larue County Water District No. 1, Green-Taylor Water District, and Caveland Environmental Authority.⁴

In its application, Green River Valley District requested an increase in operating revenues from base water rates of \$919,544 per year, or 17.67 percent, compared to the operating revenues for the historical test period under existing water rates.⁵ There are no intervenors in this matter.

By Order entered May 26, 2023, the Commission suspended the proposed rates up to and including November 3, 2023. Green River Valley District filed testimony and responded to three rounds of discovery. On July 17, 2023, Green River Valley District filed a motion to submit the matter for decision on the written record as well as close the record as of August 15, 2023. On July 24, 2023, the Commission entered an Order granting Green River Valley District's request to submit the matter for a decision on the written record and denying the request to close the record as of August 15, 2022. This matter now stands submitted for a decision on the written record.

LEGAL STANDARD

Green River Valley District filed its application for an adjustment of rates pursuant to KRS 278.180, KRS 278.190, and 807 KAR 5:001, Section 16(1)(b)(1). The Commission's standard of review for a utility's request for a rate increase is whether the proposed rates are "fair, just and reasonable."⁶ Green River Valley District bears the

⁴ Application at 3.

⁵ Application at 6.

⁶ KRS 278.030; *Pub. Serv. Comm'n v. Com. ex rel. Conway*, 324 S.W.3d 373, 377 (Ky. 2010).

burden of proof to show that the proposed rate is just and reasonable under the requirements of KRS 278.190(3).

WATER LOSS

The Commission notes that Green River Valley District’s 2021 Annual Report reported a water loss of 12.8113 percent.⁷ Commission regulation 807 KAR 5:066(6)(3) states that for ratemaking purposes, a utility's water loss shall not exceed 15 percent of total water produced and purchased, excluding water consumed by a utility in its own operations. At 12.8113 percent water loss, the annual cost of total water loss to Green River Valley District is \$54,278, as shown below.

	Purchased Water	Purchased Power	Total
Pro Forma Expenses	\$ 6,554	\$ 417,116	\$ 423,671
Times: Water Loss Percent	12.8113%	12.8113%	12.8113%
 Total Water Loss Expense	 \$ 840	 \$ 53,438	 \$ 54,278

ANALYSIS AND DETERMINATION

Test Year

Green River Valley District proposed to use as its historical test year the 12-month period ending December 31, 2021, as adjusted for known and measurable changes.⁸ The Commission finds the use of this period reasonable.

⁷ *Annual Report of Green River Valley District to the Public Service Commission for the Year Ending December 31, 2021* at 58.

⁸ Application at 3-4.

Operating Income Adjustments

Metered Water Sales. Green River Valley District proposed to decrease test-year retail water sales by \$55,441 to normalize sales based on billing analysis filed with its Application.⁹ Green River Valley District proposed to decrease test-year wholesale water sales by \$26,126 to normalize sales based on billing analysis filed with its application. Based upon the evidence of record, the Commission finds this adjustment for known and measurable changes is reasonable and accepts the adjustment.

Other Water Revenues. As discussed below, the Commission finds adjustments to several non-recurring charges made by Commission Staff to be reasonable. In Green River Valley District's response to Commission Staff's First Request for Information (Staff's First Request), the total revenue collected in the Miscellaneous Service Revenues were not properly reported in the test year. This is further discussed in the Miscellaneous Service Revenues section of this Order. These adjustments result in an increase in test-year service revenues of \$31,968 and will decrease the revenue requirement for base rates by the same amount.

Salaries and Wages – Employees. In its application, Green River Valley District proposed an adjustment to increase Salaries and Wages – Employees by \$122,556, as well as a corresponding increase to Payroll Taxes of \$10,086.¹⁰ The adjustment is to account for the changes in the employee roster and wages since 2021.¹¹ The

⁹ Application, Exhibit 19, Schedule of Adjusted Operations, Reference A.

¹⁰ Application, Exhibit 8, Schedule of Adjusted Operations.

¹¹ Application, Exhibit 8, Schedule of Adjusted Operations, References, Adjustment B.

Commission has reviewed the evidence submitted in the case¹² and finds that Green River Valley District's proposed adjustment to increase Salaries and Wages – Employees by \$122,556, as well as the subsequent \$10,086 increase in payroll taxes, is based upon known and measurable changes and is reasonable, and accepts the adjustment.¹³

Employee Pension and Benefits – Retirement. In its application, Green River Valley District proposed an adjustment to decrease Employee Pensions and Benefits by \$10,808.¹⁴ The adjustment is to account for changes in the company's retirement contribution with the updated employee roster.¹⁵ The Commission has reviewed the evidence submitted in the case¹⁶ and finds that Green River Valley District's proposed adjustment to increase Employee Pensions and Benefits by \$10,808 is based upon known and measurable changes and is reasonable, and accepts the adjustment.

Employee Pensions and Benefits – Insurance Premiums. In its application, Green River Valley District proposed an adjustment to decrease Employee Pensions and Benefits by \$60,288.¹⁷ The adjustment is to account for the reduction of Insurance premiums to be consistent with the Bureau of Labor Statistics' (BLS) national average for

¹² Green River Valley District's Response to Staff's First Request (filed May 15, 2023), Item 32, Attachment_32_RateStudyWorkpapers.xlsx, Adj. Tab, Salaries & Wages and Associated Adjustments table, Cell P44.

¹³ Green River Valley District's Response to Staff's First Request, Item 32, Attachment_32_RateStudyWorkpapers.xlsx, Adj. Tab, Salaries & Wages and Associated Adjustments table, Cell P50.

¹⁴ Application, Exhibit 8, Schedule of Adjusted Operations.

¹⁵ Application, Exhibit 8, Schedule of Adjusted Operations, References, Adjustment C.

¹⁶ Green River Valley District's Response to Staff's First Request, Item 32, Attachment_32_RateStudyWorkpapers.xlsx, Adj. Tab, Salaries & Wages and Associated Adjustments table, Cell P56.

¹⁷ Application, Exhibit 8, Schedule of Adjusted Operations.

an employer's share of premiums.¹⁸ The Commission has reviewed the evidence submitted in the case¹⁹ and finds that Green River Valley District's proposed adjustment to decrease Employee Pensions and Benefits by \$60,288 is consistent with Commission precedent regarding contributions to insurance premiums,²⁰ is reasonable and accepts the adjustment.

Employee Pensions and Benefits – Flex account Reimbursement. In its application, Green River Valley District proposed an adjustment to decrease Employee Pensions and Benefits by \$12,507.²¹ The adjustment is to account for the normalization of the "Flex" account over a three year average of \$60,303.²² The Commission has reviewed the evidence submitted in the case²³ and finds that Green River Valley District's proposed adjustment to decrease Employee Pensions and Benefits by \$12,507 is based on a known and measurable change, is reasonable and accepts the adjustment.

¹⁸ Application, Exhibit 8, Schedule of Adjusted Operations, References, Adjustment D.

¹⁹ Green River Valley District's Response to Staff's First Request, Item 32, Attachment_32_RateStudyWorkpapers.xlsx, Adj. Tab, Health Insurance Adjustment table, Cell H29.

²⁰ See Case No. 2016-00435, *Application for Rate Adjustment of Nebo Water District* (Ky. PSC June 5, 2017), Order at 3–4 ("The Commission finds that Nebo District should exercise financial prudence and reduce expenses by limiting contributions to its employees' health care and dental plans to levels more commensurate with those of other businesses."); Case No. 2018-00272, *Application of Grayson Rural Electric Cooperative Corporation for an Adjustment of Rates* (Ky. PSC Mar. 28, 2019) ("In every general rate case filed since 2016 in which a utility sought to recover its expenses for the payment of 100 percent of its employees' health insurance premiums, the Commission has reduced test-year expenses for health insurance premiums to levels based on national average employee contribution rates..")

²¹ Application, Exhibit 8, Schedule of Adjusted Operations.

²² Application, Exhibit 8, Schedule of Adjusted Operations, References, Adjustment E.

²³ Green River Valley District's Response to Staff's First Request, Item 32, Attachment_32_RateStudyWorkpapers.xlsx, Adj. Tab, Flex Account Adjustment table, Cell C39.

Purchased Power. In its application, Green River Valley District proposed an adjustment to increase Purchased Power expense by \$75,332.²⁴ The adjustment is to account for the annualizing of an increase in electric power due to the full operation of a new water treatment plant.²⁵ The Commission has reviewed the evidence submitted in the case²⁶ and finds that Green River Valley District's proposed adjustment to increase Purchased Power Expense by \$75,332 is based upon a known and measurable change, is reasonable and accepts the adjustment.

Chemical and Transportation Expense. In its application, Green River Valley District proposed an adjustment to increase Chemical expense by \$23,108 and fuel costs by \$67,796 respectively.²⁷ The adjustment is to account for general inflation and other factors causing an increase in costs.²⁸ The Commission has reviewed the evidence submitted in the case and finds that Green River Valley District's proposed adjustment to increase Chemicals Expense by \$23,108²⁹ and Transportation Expense by \$67,796³⁰ is based upon a known and measurable change, is reasonable and accepts the adjustment.

Contractual Services – Other – Rate Case Expense. In its application, Green River Valley District proposed an adjustment to increase Contractual Services – Other by

²⁴ Application, Exhibit 8, Schedule of Adjusted Operations.

²⁵ Application, Exhibit 8, Schedule of Adjusted Operations, References, Adjustment F.

²⁶ Green River Valley District's Response to Staff's First Request, Item 32, Attachment_32_RateStudyWorkpapers.xlsx, Adj. Tab, WTP Power Expense table, Cell G52.

²⁷ Application, Exhibit 8, Schedule of Adjusted Operations.

²⁸ Application, Exhibit 8, Schedule of Adjusted Operations, References, Adjustment G.

²⁹ Green River Valley District's Response to Staff's First Request, Item 32, Attachment_32_RateStudyWorkpapers.xlsx, Adj. Tab, Chemical Costs table, Cell G61.

³⁰ Green River Valley District's Response to Staff's First Request, Item 32, Attachment_32_RateStudyWorkpapers.xlsx, Adj. Tab, Fuel Adjustment table, Cell G40.

\$25,000.³¹ The adjustment is to account for the amortization of the \$75,000 rate case expense over three years.³² The Commission has reviewed the evidence submitted in the case³³ and finds that Green River Valley District's proposed adjustment to increase Contractual Services – Other by \$25,000 is based upon a known and measurable change, is reasonable and accepts the adjustment.

Depreciation Expense. In its application, Green River Valley District proposed an adjustment to increase Depreciation Expense by \$427,427.³⁴ The adjustment is to account for the adjustment to asset lives that fall outside the ranges recommended by National Association of Regulatory Utility Commissioners (NARUC) in its publication titled *Depreciation Practices for Small Water Utilities* (NARUC Study); as well as the inclusion of the new water treatment plant assets.³⁵ The Commission has reviewed the evidence submitted in the case³⁶ and finds that Green River Valley District's proposed adjustment to increase Depreciation Expense by \$427,427 is reasonable and accepts the adjustment.

Summary of Adjustments to Operating Expense and Revenue

³¹ Application, Exhibit 8, Schedule of Adjusted Operations.

³² Application, Exhibit 8, Schedule of Adjusted Operations, References, Adjustment H.

³³ Green River Valley District's Response to Staff's First Request, Item 32, Attachment_32_RateStudyWorkpapers.xlsx, Adj. Tab, Rate Case Expense table, Cell T14.

³⁴ Application, Exhibit 8, Schedule of Adjusted Operations.

³⁵ Application, Exhibit 8, Schedule of Adjusted Operations, References, Adjustment I.

³⁶ Green River Valley District's Response to Staff's First Request, Item 32, Attachment_32_RateStudyWorkpapers.xlsx, DeprAdj. Tab, Depreciation Expense Adjustments table, Cell H40.

The following schedule is a summary of Green River Valley District's test-year operating revenues and expenses, including appropriate adjustments found reasonable herein. The chart in Appendix B, attached to this Order, is a detailed pro forma Income Statement that shows the proposed and accepted adjustments of Green River Valley District:

	<u>Green River Valley Test Year</u>	<u>Commission Pro Forma Adjustments</u>	<u>Commission Approved Pro Forma</u>
Total Operating Revenues	\$5,395,360	\$ (49,709)	\$5,345,651
Utility Operating Expenses	<u>(4,460,401)</u>	<u>667,702</u>	<u>(3,792,699)</u>
Utility Operating Income	934,959	(717,411)	217,548
Total Other Income and Deductions	95,075	-	95,075
Total Interest Expense	<u>(302,614)</u>	<u>-</u>	<u>(302,614)</u>
Net Income Available to Service Debt	<u>\$ 727,420</u>	<u>\$ (717,411)</u>	<u>\$ 10,009</u>

Debt Service Coverage

Green River Valley District proposed the use of the Debt Service Coverage (DSC) method to calculate its revenue requirement. The Commission has historically applied a DSC method to calculate the Overall Revenue Requirement of water districts and water associations. This method allows for recovery of (1) cash-related pro forma operating expenses; (2) recovery of depreciation expense, a noncash item, to provide working

capital;³⁷ (3) the average annual principal and interest payments on all long-term debts, and (4) working capital that is in addition to depreciation expense. The Commission finds that the Debt Service Coverage method to be appropriate given the debt currently held by Green River Valley District.

AUTHORIZED INCREASE

Based upon the Commission’s findings and determinations in this Order, Green River Valley District requires an increase in revenues of \$887,576, or 17.05 percent above pro forma present rate revenues, as shown below.

Debt Service Coverage Operating Ratio Method			
	Green River Valley Water District	Commission Approved	
Pro Forma Operating Expenses	\$ 5,128,103	\$ 5,128,103	
Plus: Average Annual Principal and Interest Payments	1,000,166	1,000,166	(1)
Additional Working Capital	200,033	200,033	(2)
Total Revenues Requirement	6,328,302	6,328,302	
Less: Other Operating Revenue	(108,629)	(140,597)	
Revenue from Contracted Work	(82,823)	(82,823)	(3)
Interest Income	(12,252)	(12,252)	
Revenue Required From Sales of Water	6,124,598	6,092,630	
Revenue from Sales with Present Rates	(5,205,053)	(5,205,054)	
Required Revenue Increase	\$ 919,544	\$ 887,576	
Percentage Increase	17.67%	17.05%	

³⁷ The Kentucky Supreme Court has held that the Commission must permit a water district to recover its depreciation expense through its rates for service to provide internal funds for renewing and replacing assets. See *Public Serv. Comm’n of Kentucky v. Dewitt Water Dist.*, 720 S.W.2d 725, 728 (Ky. 1986). Although a water district’s lenders require that a small portion of the depreciation funds be deposited annually into a debt reserve/depreciation fund until the account’s balance accumulates to a required threshold, neither the Commission nor the Court requires that revenues collected for depreciation be accounted for separately from the district’s general funds or that depreciation funds be used only for asset renewal and replacement. The Commission has recognized that the working capital provided through recovery of depreciation expense may be used for purposes other than renewal and replacement of assets. See Case No. 2012-00309, *Application of Southern Water and Sewer District for an Adjustment in Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities* (Ky. PSC Dec. 21, 2012).

Cost-of-Service Study. Green River Valley District proposed to increase its monthly retail water service rates and their monthly wholesale service rates by the cost-of-service study (COSS) performed by Alan Vilines of the Kentucky Rural Water Association (KRWA). Mr. Vilines followed the guidelines and procedures recommended in the American Water Works Association's (AWWA) Water Rates Manual M-1. The Commission has long accepted the AWWA guidelines as a reasonable method to ratemaking and a reasonable method of designing rates for small water utilities. Green River Valley District calculated the wholesale increase in rates using the service ratios and the COSS designed by Mr. Vilines. Green River Valley District reduced the amount of the total revenue requirement by this increased wholesale revenue. Commission Staff utilized the COSS filed by Green River Valley District to calculate the retail rates and wholesale rate.

The Commission finds that, with the adjustments to the total Revenue Requirement, the rates in Appendix B are fair, just and reasonable. The monthly bill of a typical residential customer using 4,000 gallons of water will increase from \$34.00 to \$39.53, an increase of \$5.53, or 16.26. percent.

Requested Rates. Green River Valley District's proposed rates are based on the rate design currently applied to Green River Valley District's current customer classifications. The proposed rates have been increased by the COSS previously discussed.

Nonrecurring Charges. Green River Valley District provided updated cost justification pages in response to Commission Staff's requests for information.³⁸ The

³⁸ Green River Valley District's Response to Staff's First Request, Item 37.

Commission has been requesting that water utilities provide revised cost justifications of these charges. The Commission has been re-evaluating the expenses related to these nonrecurring charges, more specifically, the labor expense and other related expenses such as transportation and miscellaneous expenses.

The Commission continues to follow its previous decisions regarding nonrecurring charges: personnel are paid during normal business hours and their salaries are recovered through base rates. The Commission requires that charges be directly related to the actual cost incurred to provide the service. It is unreasonable to allocate an expense already incurred as a day-to-day cost of maintaining a system, such as the salary of a distribution operator, to a nonrecurring service such as the connection and reconnection of a meter during normal working hours. Only the marginal costs related to the service should be recovered through a special nonrecurring charge for service provided during normal working hours.

Green River Valley District provided the number of occurrences and revenues of nonrecurring charges during the test year for each of the Miscellaneous Service Revenues.³⁹ Green River Valley District also provided updated cost justification pages in response to Commission Staff's First Request.⁴⁰ The revenues reported in the SAO of \$2,932 should have been reported as \$21,570.⁴¹ With the updated costs in the cost

³⁹ Green River Valley District's Response to Staff's First Request, Item 36.

⁴⁰ Green River Valley District's Response to Staff's First Request, Item 37.

⁴¹ Test Year Reported Revenues of \$2,932 + the miscellaneous revenues adjustment of the test year from the response to the First Request of \$18,638 = for a total of test year revenues of \$21,570.

justifications, the adjustment to Miscellaneous Service Revenues is an increase to the test year revenues of an additional \$13,330 for a proforma amount of \$34,900.⁴²

The tables in Appendix A shows the calculation of the adjustment of the increase to the test year nonrecurring charges and how each nonrecurring charge was adjusted. Therefore, the Commission finds that nonrecurring charges should each be reduced by the estimated labor costs stated in the cost justification sheets. The Commission accordingly finds the revised nonrecurring charges set out in Appendix B are reasonable and should be accepted, and as discussed above, that an adjustment of \$31,968 to Other Water Revenues is reasonable to account for revised test year revenues and the increase of the nonrecurring charges.

Meter Connections/ Tap-On Fee. Green River Valley District provided updated cost justification sheets for their 5/8-inch Meter connection with an increase of \$477 from \$750 to \$1,227.⁴³ The Commission finds these increases to Green River Valley District's Service Connection Fees to be reasonable and that they should be approved.

SUMMARY

After consideration of the evidence of record and being otherwise sufficiently advised, the Commission finds that the adjustments, as discussed above, are supported by the evidence of record and are fair, just and reasonable. The Commission has historically used a DSC method to calculate the revenue requirement for water districts or associations with outstanding long-term debt. Applying the DSC method to Green

⁴² Revised Test Year of \$21,570+increase cost adjustment of \$13,330 = a proforma amount of \$34,900.

⁴³ Green River Valley District's Response to Commission Staff's Second Request for Information (filed June 16, 2023), Item 13(e), Exhibit 13-1.

River Valley District's pro forma operations results in an Overall Revenue Requirement of \$6,328,302 and, based upon pro forma present rate service revenues of \$6,141,378, a revenue increase of \$936,324 from water service rates is necessary to generate the overall revenue requirement.

IT IS THEREFORE ORDERED that:

1. Green River Valley District's application for an adjustment of its rates is denied as proposed.

2. The general water service rates set forth in Appendix B of this Order are approved for the water service that Green River Valley District renders on and after the date of this Order.

3. The nonrecurring charges set forth in Appendix B of this Order are approved for the water service that Green River Valley District renders on and after the date of this Order.

4. Within 20 days of the date of entry of this Order, Green River Valley District shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the general water rates approved herein and reflecting that it was approved pursuant to this Order.

5. Within 20 day of the date of entry of this Order, Green River Valley District shall file through the Commission's Electronic Tariff Filing system new nonrecurring charges reflecting the marginal cost of each nonrecurring service.

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

PUBLIC SERVICE COMMISSION



Chairman



Vice Chairman



Commissioner

ENTERED
OCT 30 2023
KENTUCKY PUBLIC SERVICE COMMISSION ^{rps}

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00088 DATED OCT 30 2023

	Num.	Current Rate	Total	Revised Rate	Adj	Pro Forma
Miscellaneous Service Revenues:						
Connection Charge	451	\$20.00	\$9,020	\$50.00	\$13,530	\$22,550
Connection Charge AH	0	\$30.00	\$0	\$135.00	\$0	\$0
Meter Reread	0	\$25.00	\$0	\$50.00	\$0	\$0
Meter Test Charge	0	\$50.00	\$0	\$50.00	\$0	\$0
Reconnection Charge	243	\$50.00	\$12,150	\$50.00	\$0	\$12,150
Reconnection Charge AH	0	\$75.00	\$0	\$135.00	\$0	\$0
Returned Check Charge	20	\$20.00	\$400	\$10.00	(\$200)	\$200
Service Call/Investigation Charge	0	\$25.00	\$0	\$50.00	\$0	\$0
Service Call/Investigation Charge AH	0	\$50.00	\$0	\$135.00	\$0	\$0
Total Miscellaneous Service Revenues	714		<u>\$21,570</u>		\$13,330	\$34,900

Nonrecurring Charges Adjustments

Connection Charge, Meter Reread Charge, Meter Test Charge, Reconnection Charge, Service Call/Investigation Charge		
	District Revised Charge	Staff Revised Charge
Field Labor \$29.38 at 1.0 hour	\$29.38	\$ 0.00
Office Labor \$24.58 at 0.5 hour	\$12.29	\$ 0.00
Transportation	\$49.78	\$49.78
Total Revised Charge	<u>\$91.45</u>	<u>\$50.00</u>

Current Rate \$20.00

Returned Check Charge		
	District Revised Charge	Staff Revised Charge
Field Labor \$0.00 at 0.0 hour	\$ 0.00	\$ 0.00
Office Labor \$21.99 at 0.5 hour	\$11.00	\$ 0.00
Bank Charge	\$10.00	\$10.00
Total Revised Charge	<u>\$21.00</u>	<u>\$10.00</u>

Current Rate \$20.00

Connection Charge After Hours, Reconnection Charge After Hours, Service Call/Investigation Charge After Hours		
	District Revised Charge	Staff Revised Charge
Field Labor \$42.74 at 2.0 hour	\$85.48	\$85.48
Office Labor \$24.58 at 0.5 hour	\$12.29	\$ 0.00
Transportation	\$49.78	\$49.78
Total Revised Charge	\$147.55	\$135.00
Current Rate	\$30.00	

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00088 DATED OCT 30 2023

The following rates and charges are prescribed for the customers in the area served by Green River Valley Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8- x 3/4-Inch Meter

First	2,000 Gallons	\$25.71 Minimum Bill
Next	8,000 Gallons	0.00691 Per Gallon
Next	20,000 Gallons	0.00589 Per Gallon
Over	30,000 Gallons	0.00489 Per Gallon

1-Inch Meter

First	5,000 Gallons	\$46.42 Minimum Bill
Next	5,000 Gallons	0.00691 Per Gallon
Next	40,000 Gallons	0.00589 Per Gallon
Over	50,000 Gallons	0.00489 Per Gallon

1 1/2-Inch Meter

First	10,000 Gallons	\$71.37 Minimum Bill
Next	40,000 Gallons	0.00589 Per Gallon
Over	50,000 Gallons	0.00489 Per Gallon

2-Inch Meter

First	15,000 Gallons	\$110.42 Minimum Bill
Next	15,000 Gallons	0.00589 Per Gallon
Over	50,000 Gallons	0.00489 Per Gallon

Wholesale Rate	\$0.00301 Per Gallon
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Nonrecurring Charges

Connection Fee/Turn on	\$50.00
Connection Fee After Hours	\$135.00
Meter Reread Fee	\$50.00
Meter Test Fee	\$50.00
Reconnection Fee	\$50.00
Reconnection Fee After Hours	\$135.00
Returned Check Fee	\$10.00
Service Call/Investigation Fee	\$50.00
Service Call/Investigation Fee After Hours	\$135.00
Tap Fees	
5/8 x 3/4 - Inch	\$1,299.00

APPENDIX C

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2023-00088 DATED OCT 30 2023

	Test Year	Commission Approved	Pro Forma
<u>Operating Revenues</u>			
Total Metered Water Sales	\$ 3,630,630	\$ (55,441)	\$ 3,575,189
Sales to Irrigation Customers	73		73
Sales for Resale	1,656,028	(26,236)	1,629,792
Other Water Revenues			-
Forfeited Discounts	83,185		83,185
Misc. Service Revenues	2,932	31,968	34,900
Other Water Revenues	22,512		22,512
Total Operating Revenues	5,395,360	(49,709)	5,345,651
<u>Operating Expenses</u>			
Operation and Maintenance Expenses			
Salaries and Wages - Employees	1,275,763	122,556	1,398,319
Salaries and Wages - Officers	13,350		13,350
Employee Pensions and Benefits	388,683	(10,808)	
		(60,288)	
		(12,507)	305,080
Purchased Water	6,554		6,554
Purchased Power	353,449	75,332	428,781
Chemicals	197,702	23,108	220,810
Materials and Supplies	417,662		417,662
Contractual Services - Acct. & Legal	39,911		39,911
Contractual Services - Other	392,332	25,000	417,332
Rental of Equipment	27,870		27,870
Transportation Expenses	195,302	67,796	263,098
Insurance	63,596		63,596
Regulatory Comm. Exp.	10,293		10,293
Bad Debt	18,762		18,762
Miscellaneous Expense	59,965	-	59,965
Total Operation and Maintenance Expenses	3,461,194	230,189	3,691,383
Depreciation	901,466	427,427	1,328,893
Taxes Other Than Income	97,741	10,086	107,827
Utility Operating Expenses	4,460,401	667,702	5,128,103
Total Utility Operating Income	934,959	(717,411)	217,548
Other Income and Deductions			
Revenues from Merchandising, Knobbing and Contract Work	82,823	-	82,823
Interest and Dividend Income	12,252	-	12,252
Nonutility Income	-	-	-
Miscellaneous Nonutility Expenses	-	-	-
Total Other Income and Deductions	95,075	-	95,075
Interest Expense			
Interest Expense	334,366	-	334,366
Amortization of Debt Discount and Expense	7,877	-	7,877
Amortization of Premium on Debt	(39,629)	-	(39,629)
Total Interest Expense	302,614	-	302,614
Net Income Available to Service Debt	\$ 727,420	\$ (717,411)	\$ 10,009

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