

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MCCREARY	)	
COUNTY WATER DISTRICT FOR AN	)	CASE NO.
ADJUSTMENT OF SEWER RATES PURSUANT	)	2025-00135
TO 807 KAR 5:076	)	

ORDER

On October 29, 2025, McCreary County Water District (McCreary District) moved the Commission to dismiss the above-styled case, Case No. 2025-00135.

PROCEDURAL HISTORY

In Case No. 2022-00009, an application for approval to issue securities for the purpose of refinancing outstanding debt obligations pursuant to KRS 278.300, the Commission ordered:

McCreary District shall file an application for an adjustment in base rates for its water and sewer divisions within 3 years of the issuance of the final orders in Case No. 2021-00300 and Case No. 2021-00301, to ensure that its rates are sufficient, or in the alternative, file a formal motion with a detailed analysis of its rates and revenues and a statement explaining the reasons why no modifications are necessary.<sup>1</sup>

On May 16, 2025, McCreary District filed an application for an alternative adjustment of sewer rates pursuant to 807 KAR 5:076.<sup>2</sup> McCreary District requested a

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<sup>1</sup> Case No. 2022-00009, *Electronic Application of McCreary County Water District to Issue Securities in the Approximate Principal Amount of \$3,450,000 for the Purpose of Refinancing Certain Outstanding Obligations of the District Pursuant to the Provisions of KRS 278.300 and 807 KAR 5:001* (Ky. PSC Mar. 16, 2022), Order at 8, ordering paragraph 6.

<sup>2</sup> Application (filed May 16, 2025).

\$70,066, or 3.1 percent<sup>3</sup> increase to the sewer division's revenue requirement.<sup>4</sup> On June 9, 2025, a procedural schedule was issued. McCreary District responded to three requests for information.<sup>5</sup> On October 15, 2025, the Commission Staff's (Staff) report was issued. On October 29, 2025, McCreary District filed a response to Staff's Report and a motion to dismiss.

Staff's Report stated that McCreary District's required Revenue from Sewer Sales was \$2,234,931 compared to the Revenue from Sales at Present Rates of \$2,242,595.<sup>6</sup> This resulted in an excess of pro forma revenues of \$7,664, or 0.34 percent.<sup>7</sup> Staff calculated a minimal decrease of 0.34 percent<sup>8</sup> in McCreary District's rates but acknowledged that utilities have experienced operational cost increases due to recent supply chain issues and the current rate of inflation.<sup>9</sup> Staff recommended maintaining McCreary District's current sewer rates rather than minimally decrease those rates.<sup>10</sup> Additionally, Staff recommended denying McCreary District's proposed 3.12 percent

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<sup>3</sup> McCreary District rounded the percentage increase to 3.1%. The unrounded amount is 3.12%.

<sup>4</sup> Application, Exhibit C.

<sup>5</sup> McCreary District's Response to Commission Staff's First Request for Information (filed July 14, 2025); McCreary District's Response to Commission Staff's Second Request for Information (filed Aug. 21, 2025); McCreary District's Response to Commission Staff's Third Request for Information (filed Sept 2, 2025).

<sup>6</sup> Commission Staff's Report (Staff's Report) (issued Oct. 15, 2025) at 5.

<sup>7</sup> Staff's Report at 5.

<sup>8</sup> The average monthly sewer bill for a customer using approximately 5,301 gallons per month would decrease by \$0.22, from \$64.62 to \$64.40, or 0.34%.

<sup>9</sup> Staff's Report at 5.

<sup>10</sup> Staff's Report at 5.

increase in monthly sewer rates, and that McCreary District maintain its current rates unchanged from its current tariff.<sup>11</sup>

### RESPONSE/MOTION

In its response to the Staff Report, McCreary District accepted, for purposes of this proceeding, Staff's conclusions regarding McCreary District's revenue requirement from sewer rates.<sup>12</sup> McCreary District also moved to dismiss this proceeding pursuant to 807 KAR 5:001 Section 5.<sup>13</sup> McCreary District argued that, due to Staff having found that its existing rates are adequate to permit McCreary District to furnish adequate, efficient and reasonable service, and McCreary District accepting those findings, that there existed no further need for proceedings in this matter and the matter should be dismissed.<sup>14</sup>

### FINDINGS

Having reviewed the record and being otherwise sufficiently advised, the Commission finds that the recommendations in the Staff Report should be accepted as McCreary District accepted the findings for the purpose of this proceeding. Based on the acceptance of the Staff Report, the Commission also finds that the above-styled case should be dismissed. Additionally, the Commission finds that McCreary District should maintain its current sewer rates as they appear in the current tariff.

IT IS THEREFORE ORDERED that:

1. Staff's Report is accepted as filed.

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<sup>11</sup> Staff's Report at 6.

<sup>12</sup> McCreary District's Response to Commission Staff Report and Motion to Dismiss Proceeding (Response/Motion to Dismiss) (filed Oct. 29, 2025) at 1.


<sup>13</sup> McCreary District's Response/Motion to Dismiss at 1.

<sup>14</sup> McCreary District's Response/Motion to Dismiss at 2.


2. McCreary District's motion to dismiss is granted.
3. McCreary District shall maintain its current sewer rates as they appear in the current tariff.
4. This case is closed and removed from the Commission's docket.

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PUBLIC SERVICE COMMISSION

  
Chairman

  
Commissioner

  
Commissioner

ATTEST:

  
Executive Director



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