

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED WATER)	CASE NO.
ADJUSTMENT FILING OF GREEN-TAYLOR)	2025-00235
WATER DISTRICT)	

ORDER

On July 3, 2025, Green-Taylor Water District (Green-Taylor District) tendered an application requesting approval to adjust its rates pursuant to the purchased water adjustment procedure set forth in KRS 278.015 and 807 KAR 5:068. On July 7, 2025, the Commission notified Green-Taylor District that its application was rejected for certain filing deficiencies. On July 8, 2025, Green-Taylor District submitted further documentation to correct the filing deficiencies, and the application was deemed filed as of July 8, 2025.

LEGAL STANDARD

In accordance with KRS 278.015, when a wholesale supplier selling water to a water district increases its rates, the water district has the authority to increase its rate commensurate with the wholesale supplier. The water district must file, within the statutory and regulatory deadlines, a copy of the notice from the wholesale supplier showing the increase in the wholesale rate, and a statement of the volume of purchased water used to calculate the rate adjustment. The Commission shall approve the filing by order after the above documents are filed.

DISCUSSION AND FINDINGS

Green-Taylor District purchases water from the City of Campbellsville (Campbellsville), the City of Greensburg (Greensburg), Green River Valley Water District (Green River Valley District) and Columbia/Adair Utilities District (Columbia/Adair District). Campbellsville notified Green-Taylor District that its wholesale rate would increase by \$0.10 per 1,000 gallons from \$3.26 to \$3.36, effective August 1, 2025.¹ Green-Taylor District proposes to increase the water rates to its customers effective August 1, 2025, to reflect the increased cost of purchased water from Campbellsville. No rate changes were made by Green-Taylor District's other suppliers.

Unaccounted-for Water Loss

Commission regulation 807 KAR 5:066, Section 6(3), states that for ratemaking purposes a utility's unaccounted-for water loss shall not exceed 15 percent of the total water produced and purchased, excluding water consumed by a utility in its own operations. In its 2022 Annual Report filed with the Commission, Green-Taylor District reported a water loss of 14.9451 percent.² In its 2023 Annual Report filed with the Commission, Green-Taylor District reported a water loss of 24.1685 percent.³ In its 2024 Annual Report filed with the Commission, Green-Taylor District reported a water loss of

¹ TFS2025-00277 (Ky. PSC Jun. 18, 2025); Campbellsville submitted the tariff on June 18, 2025, and the tariff was accepted for filing by the Commission by letter dated July 31, 2025, with an effective date of August 1, 2025.

² *Annual Report of Green-Taylor District to the Public Service Commission for the Year Ended December 31, 2022* at 57.

³ *Annual Report of Green-Taylor District to the Public Service Commission for the Year Ended December 31, 2023* at 57.

28.9117 percent.⁴ Green-Taylor District's three-year water loss average is 22.6751 percent.⁵ The cost of Green-Taylor District's water loss above 15 percent, using a three-year average is \$103,802.46.⁶

The Commission is placing greater emphasis on monitoring utilities that consistently exceed the 15 percent unaccounted-for water loss threshold. The Commission strongly encourages Green-Taylor District to pursue reasonable actions to reduce its unaccounted-for water loss. Failure by Green-Taylor District to make significant progress towards reducing unaccounted-for water loss may cause the Commission to pursue additional action with the utility.

Financial Condition and Rates

Green-Taylor District's financial snapshot for 2019 through 2023 is presented below. As of July 7, 2025 Green-Taylor District had not filed its 2024 Annual Report, which was due to the Commission on March 31, 2025. Based on a review of Commission records, Green-Taylor District last sought a general base rate adjustment in Case No. 2022-00246.⁷ The Commission concluded that the recommended rates should decrease by 4.98 percent or \$136,276.⁸ However, the Commission found that the district should

⁴ *Annual Report of Green-Taylor District to the Public Service Commission for the Year Ended December 31, 2024* at 57.

⁵ $14.9451\% (2022) + 24.1685\% (2023) + 28.9117 (2024) = 68.0253 / 3 \text{ years} = 22.6751 \text{ percent.}$

⁶ Water cost at new wholesale rate of \$1,352,457.42 times (22.6751% - 15%) water loss equals \$103,802.46.

⁷ See Case No. 2022-00246, *Electronic Application of Green-Taylor Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Jun. 12, 2023).

⁸ Case No. 2022-00246, *Electronic Application of Green-Taylor Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Jun. 12, 2023), final Order at 21.

not be required to reduce rates at the time.⁹ As part of the Order, Green-Taylor District was ordered to file a rate sufficiency analysis by year end of 2023, based on calendar year 2022, to which Green-Taylor District complied.¹⁰ Additionally, Green-Taylor District was ordered to file a rate case/rate study by July 31, 2026, using the Annual Report for calendar year 2025 as the test year.¹¹ Upon review of Green-Taylor District financials, rate based income (adjusted net income minus principal payments) was negative in all years except 2022. Cash basis income (rate based income plus depreciation expense) was positive in all years. Water loss percentage averaged 15.7367 percent for 2019 through 2022 but increased to 24.1685 percent in 2023.

⁹ Case No. 2022-00246, *Electronic Application of Green-Taylor Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Jun. 12, 2023), final Order at 24.

¹⁰ Case No. 2022-00246, *Electronic Application of Green-Taylor Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (filed Dec. 6, 2023), Post Case Files.

¹¹ Case No. 2022-00246, *Electronic Application of Green-Taylor Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Jun. 12, 2023), final Order at 26.

Description / Year	Audited 2019	Audited 2020	Audited 2021	Audited 2022	Audited 2023
Adjusted Net Income					
Net Income / (Loss) before Contributions	\$ (251,281)	\$ (242,465)	\$ 33,165	\$ 471,139	\$ 468,645
Other Non-recurring Items ()	(13,420)	(22,561)	(18,714)	(50,917)	(28,751)
Non-Cash Pension and OPEB Expense / (Income)	183,480	242,293	96,815	(88,354)	(284,544)
Adjusted Net Income / (Loss) before Contributions	\$ (81,221)	\$ (22,733)	\$ 111,266	\$ 331,868	\$ 155,350
Subtract: Principal Payments ()	(174,500)	(280,000)	(175,000)	(226,238)	(268,429)
Rate Based Income	\$ (255,721)	\$ (302,733)	\$ (63,734)	\$ 105,630	\$ (113,079)
Add: Depreciation Expense	355,021	357,644	362,609	342,389	361,933
Cash Basis Income	\$ 99,300	\$ 54,911	\$ 298,875	\$ 448,019	\$ 248,854
Cash Basis Income as Percent of Depreciation	28%	15%	82%	131%	69%
Capital Spending	\$ 1,611,614	\$ 180,663	\$ 34,568	\$ 876,634	\$ 513,391
Cash and Investments					
Unrestricted Cash and Investments	\$ 398,942	\$ 527,764	\$ 668,265	\$ 993,958	\$ 278,273
Restricted Funds	1,109,878	970,720	1,360,915	1,561,109	2,020,167
Adjusted Cash Balances	1,508,820	1,498,484	2,029,180	2,555,067	2,298,440
Net Increase (Decrease) in Cash	\$ (64,921)	\$ (10,336)	\$ 530,696	\$ 525,887	\$ (256,627)
Selected Statistical Information (PSC Annual Reports)					
Customer Count	5,096	5,256	5,252	5,312	5,369
Gallons Purchased	389,496	385,339	370,083	389,888	439,319
Gallons Sold	306,024	294,235	300,042	304,841	301,360
Gallons Used for Internal Use	14,752	25,803	20,406	26,768	31,782
Water Loss Gallons	68,720	65,301	49,635	58,269	106,177
System Use Percentage	3.79%	6.70%	5.51%	6.87%	7.23%
Water Loss Percentage	17.6433%	16.9464%	13.4119%	14.9451%	24.1685%
Gallons Sold Per Customer Per Month	5,004	4,665	4,761	4,782	4,677
Revenues from Sale of Water Sales	\$ 2,507,193	\$ 2,613,180	\$ 2,657,498	\$ 2,753,394	\$ 2,808,747
Purchased Water Expense	\$ 827,653	\$ 874,870	\$ 900,650	\$ 890,692	\$ 1,044,185
Purchased Water Expense Over 15% Water Loss	21,877	17,028	0	0	95,737
Water Loss Expense Over 15% as Percentage of Water Revenue	0.87%	0.65%	0.00%	0.00%	3.41%

Purchased Water Adjustment Factor

In its application, Green-Taylor District proposed a purchased water adjustment factor of \$0.07 per 1,000 gallons. During the 12 months ended May 31, 2025, Green-Taylor District purchased 201,107,196 gallons of water from Campbellsville, 231,513,000 gallons of water from Greensburg, 55,156,000 gallons of water from Green River Valley District, and zero gallons from Columbia/Adair District. Green-Taylor District sold 320,205,774 gallons of water to its customers. The increase in the cost of purchased water from Campbellsville is \$20,110.72, resulting in a purchased water adjustment factor of \$0.07 per 1,000 gallons. No rate changes occurred from Greensburg, Green River

Valley District or Columbia/Adair District. The purchased water adjustment factor of \$0.07 per 1,000 gallons, as calculated in Appendix A and the rates as set forth in Appendix B to this Order are fair, just and reasonable and should be approved for water service rendered by Green-Taylor District on and after August 1, 2025. The rates set forth in Appendix B are supported by evidence of the increase in rates from Green-Taylor District's wholesale water supplier and the volume of purchased water used to calculate the rates in accordance with KRS 278.015.

Nothing in this Order interrupts Green-Taylor District's obligation to comply with the June 12, 2023 Order in Case No. 2022-00246¹² by filing, on or before July 31, 2026, an application for a general base rate adjustment or an alternative rate adjustment to ensure that its revenue is sufficient to support adequate and reliable service, or, in the alternative, 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.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.07 per 1,000 gallons is approved.
2. The rates proposed by Green-Taylor District are approved.
3. The rates as set forth in Appendix B to this Order are approved for water service rendered by Green-Taylor District on and after August 1, 2025.

¹² Case No. 2022-00246, *Electronic Application of Green-Taylor Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Jun. 12, 2023), final Order at 26.

4. Within 20 days of the date of service of this Order, Green-Taylor District shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

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

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PUBLIC SERVICE COMMISSION

Chairman

Andrew W. Wood

Commissioner

Commissioner

Mary Pat Regan

ATTEST:

Linda Bridwell RP
Executive Director



Case No. 2025-00235

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2025-00235 DATED AUG 06 2025

	Base Rate	New Rate	Change
<u>Campbellsville</u>			
Purchases in Gallons	201,107,196	201,107,196	
Rate per 1,000 Gallons	<u>\$3.26/1,000</u>	<u>\$3.36/1,000</u>	
Subtotal	\$655,609.46	\$675,720.18	\$20,110.72
<u>Greensburg</u>			
Purchases in Gallons	231,513,000	231,513,000	
Rate per 1,000 Gallons	<u>\$2.206/1,000</u>	<u>\$2.206/1,000</u>	
Subtotal	\$510,717.68	\$510,717.68	\$0.00
<u>Green River Valley</u>			
Purchases in Gallons	55,156,000	55,156,000	
Rate per 1,000 Gallons	<u>\$3.01/1,000</u>	<u>\$3.01/1,000</u>	
Subtotal	\$166,019.56	\$166,019.56	\$0.00
<u>Columbia/Adair</u>			
Purchases in Gallons	0	0	
Rate per 1,000 Gallons	<u>\$2.75/1,000</u>	<u>\$2.75/1,000</u>	
Subtotal	\$0.00	\$0.00	\$0.00
Total Water Cost	\$1,332,346.70	\$1,352,457.42	
Increased water cost			\$20,110.72
Increased water cost		\$20,110.72	
Divided by Gallons sold/1,000		<u>320,205,774</u>	
Purchased water adjustment factor		\$0.0628	per 1,000 Gallons
		or	
		\$0.00007	per Gallon

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2025-00235 DATED AUG 06 2025

The following rates and charges are prescribed for the customers in the area served by Green-Taylor 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	\$24.05	Minimum Bill
Next	3,000 Gallons	0.01018	Per Gallon
Next	5,000 Gallons	0.00832	Per Gallon
Over	10,000 Gallons	0.00563	Per Gallon

3/4-Inch Meter

First	3,000 Gallons	\$34.23	Minimum Bill
Next	2,000 Gallons	0.01018	Per Gallon
Next	5,000 Gallons	0.00832	Per Gallon
Over	10,000 Gallons	0.00563	Per Gallon

1-Inch Meter

First	5,000 Gallons	\$54.59	Minimum Bill
Next	5,000 Gallons	0.00832	Per Gallon
Over	10,000 Gallons	0.00563	Per Gallon

1 1/2-Inch Meter

First	10,000 Gallons	\$96.19	Minimum Bill
Over	10,000 Gallons	0.00563	Per Gallon

2-Inch Meter

First	20,000 Gallons	\$152.49	Minimum Bill
Over	20,000 Gallons	0.00563	Per Gallon

Leak Adjustment Rate

\$0.00272 Per Gallon

Wholesale Rates

Larue County Water District #1

\$0.00361 Per Gallon

City of Greensburg

\$0.00322 Per Gallon

*Green-Taylor Water District
250 Industrial Park Road
P. O. Box 168
Greensburg, KY 42743

*Lee Mudd, P.E.
Monarch Engineering, Inc.
556 Carlton Drive
Lawrenceburg, KY 40342