

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF LAUREL	)	
COUNTY WATER DISTRICT NO. 2 FOR AN	)	CASE NO.
ALTERNATIVE RATE FILING ADJUSTMENT	)	2025-00353
PURSUANT TO 807 KAR 5:076	)	

ORDER

This matter arises upon Laurel County Water District No. 2’s (Laurel District No. 2) acceptance of Commission Staff’s recommendation regarding the amount of a rate increase that amended Laurel District No. 2’s application to request higher rates than initially requested. Laurel District No. 2 requested an increase in its revenue requirement of \$486,926, or 15.75 percent, over test-year normalized revenues. When Commission Staff performed the limited financial review of test-year operations, Commission Staff determined Laurel District No. 2 would require an increase of \$748,780 or 24.22 percent. On May 12, 2026, Laurel District No. 2 filed with the Commission its comments in response to Commission Staff’s April 28, 2026 Report (Commission Staff’s Report) which accepted generally the recommended increase set forth in the Commission Staff’s Report.<sup>1</sup>

LEGAL STANDARD

Commission regulation 807 KAR 5:076, Section 11(3)(f), states:

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<sup>1</sup> Laurel District No. 2 disagreed with certain changes related nonrecurring charges and requested the Commission consider the arguments made in the Comments to the Staff’s Report. However, the utility stated it “...accepts for purposes of this proceeding the Report’s recommended revenue requirement...”

If commission staff reports that the applicant's financial condition supports a higher rate than the applicant proposed or commission staff recommends the assessment of an additional rate or charge not proposed in the application and commission staff's proposed rates produce a total increase in revenues that exceeds 110 percent of the total increase in revenues that the applicant's proposed rates will produce and the applicant amends its application to request commission staff's proposed rates, the commission shall order the applicant to provide notice of the finding or recommendation to its customers.

Commission regulation 807 KAR 5:076, Section 7(1), provides that an application for an alternative rate adjustment (ARF) may not place the proposed rates into effect until the Commission approves those rates or six months from the date of filing an application. Commission regulation 807 KAR 5:001, Section 4(5), provides that amendment of an application shall not relate back to the date of the filing of the original application unless the Commission orders otherwise.

### DISCUSSION AND FINDINGS

As an initial matter, when Laurel District No. 2 accepted Staff's proposed increase of \$748,780, it accepted rates that produced a total increase that exceeds the revenue initially proposed by \$261,854, or 53.78 percent.<sup>2</sup> Consistent with 807 KAR 5:076, Section 11(3)(f), Laurel District No. 2 amended its application on May 12, 2026, when it accepted the revenue increase proposed by Commission Staff that exceeded the 110 percent threshold set forth in the regulation. Because the amended application does not relate back to the original application, Laurel District No. 2 shall not place the proposed rates into effect until the Commission issues an Order approving the rates or until

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<sup>2</sup>  $(\$748,780 / \$486,926) - 1 = 53.78\%$ .

November 12, 2026, which is six months from the date the application was amended, whichever comes first.

Because Laurel District No. 2 accepted rates that exceed the regulatory threshold requiring additional customer notice, the Commission finds that Laurel District No. 2 should provide notice of the amended proposed rate increase for its customers. Within 14 days of the date of service of this Order, Laurel District No. 2 should notify its customers of the implementation of the rates calculated in the Commission Staff's Report by publishing notice of the increase in a newspaper of general circulation in its territory or placing an insert in bills rendered to its customers. The customer notice should contain the information set forth in the Appendix to this Order.

IT IS THEREFORE ORDERED that:

1. Laurel District No. 2's amended application is accepted as filed as of May 12, 2026.
2. Laurel District No. 2 shall not place the proposed rates into effect until the Commission issues an Order approving the rates or until November 12, 2026, whichever comes first.
3. Within 14 days of the date of service of this Order, Laurel District No. 2 shall notify its customers of the implementation of the rates calculated in the Commission Staff's Report by publishing notice of the increase in a newspaper of general circulation in its territory or placing an insert in bills rendered to its customers. The customer notice shall contain the information set forth in the Appendix to this Order.
4. Laurel District No. 2 shall provide proof of publication of the notice to the Commission no later than 30 days from the date of this Order.

5. If the Commission does not receive any written requests for intervention or a hearing in this matter within 30 days of publication of new rates, this case shall be submitted to the Commission for a decision based upon the existing record.

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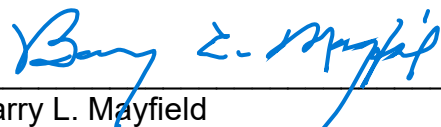
Entered on this 15th day of June, 2026.

PUBLIC SERVICE COMMISSION

  
\_\_\_\_\_  
Angie Hatton  
Chair

  
\_\_\_\_\_  
Mary Pat Regan  
Commissioner

  
\_\_\_\_\_  
Andrew W. Wood  
Commissioner

  
\_\_\_\_\_  
Barry L. Mayfield  
Commissioner

ATTEST:

  
\_\_\_\_\_  
Linda C. Bridwell, PE  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2025-00353 DATED JUN 15 2026

On November 19, 2025, the Kentucky Public Service Commission (PSC) accepted for filing Laurel County Water District No. 2's (Laurel District No. 2) application requesting to increase its revenue from water sales by \$486,926, an approximate increase of 15.75 percent. On April 28, 2026, Commission Staff determined Laurel District No. 2 would require an increase of \$748,780 or 24.22 percent in revenue from water sales. Laurel District No. 2 requests the PSC approve its recommended revenue requirements and that Laurel District No. 2 be allowed to implement the revised rates as follows:

Monthly Water Rates					
Meter Size		Current	Proposed		% Increase
<u>5/8-Inch Meter</u>					
First	1,000 Gallons	\$15.00	\$18.47	Minimum Bill	23.13%
Next	99,000 Gallons	0.00586	0.00722	Per Gallon	23.21%
Over	100,000 Gallons	0.00523	0.00644	Per Gallon	23.14%
 <u>1-Inch Meter</u>					
First	5,000 Gallons	\$38.44	\$47.33	Minimum Bill	23.13%
Next	95,000 Gallons	0.00586	0.00722	Per Gallon	23.21%
Over	100,000 Gallons	0.00523	0.00644	Per Gallon	23.14%
 <u>1 1/2-Inch Meter</u>					
First	10,000 Gallons	\$67.74	\$83.40	Minimum Bill	23.12%
Next	90,000 Gallons	0.00586	0.00722	Per Gallon	23.21%
Over	100,000 Gallons	0.00523	0.00644	Per Gallon	23.14%
 <u>2-Inch Meter</u>					
First	20,000 Gallons	\$126.34	\$155.54	Minimum Bill	23.11%
Next	80,000 Gallons	0.00586	0.00722	Per Gallon	23.21%
Over	100,000 Gallons	0.00523	0.00644	Per Gallon	23.14%
 <u>3-Inch Meter</u>					
First	30,000 Gallons	\$184.94	\$227.68	Minimum Bill	23.11%
Next	70,000 Gallons	0.00586	0.00722	Per Gallon	23.21%
Over	100,000 Gallons	0.00523	0.00644	Per Gallon	23.14%
 <u>4-Inch Meter</u>					
First	50,000 Gallons	\$302.14	\$371.97	Minimum Bill	23.11%
Next	50,000 Gallons	0.00586	0.00722	Per Gallon	23.21%
Over	100,000 Gallons	0.00523	0.00644	Per Gallon	23.14%

Campground Heights 1-8

First	4,000 Gallons	\$51.86	\$63.85	Minimum Bill	23.12%
Next	96,000 Gallons	0.00586	0.00722	Per Gallon	23.21%
Over	100,000 Gallons	0.00523	0.00644	Per Gallon	23.14%

Campground Heights 9

First	5,000 Gallons	\$38.42	\$47.30	Minimum Bill	23.11%
Next	95,000 Gallons	0.00586	0.00722	Per Gallon	23.21%
Over	100,000 Gallons	0.00523	0.00644	Per Gallon	23.14%

ManEnterprises LLC

First	22,000 Gallons	\$273.07	\$336.18	Minimum Bill	23.11%
Next	78,000 Gallons	0.00586	0.00722	Per Gallon	23.21%
Over	100,000 Gallons	0.00523	0.00644	Per Gallon	23.14%

KTR LLC

First	49,000 Gallons	\$604.88	\$744.67	Minimum Bill	23.11%
Next	51,000 Gallons	0.00586	0.00722	Per Gallon	23.21%
Over	100,000 Gallons	0.00523	0.00644	Per Gallon	23.14%

Chestnut Green

First	26,000 Gallons	\$322.23	\$396.70	Minimum Bill	23.11%
Next	74,000 Gallons	0.00586	0.00722	Per Gallon	23.21%
Over	100,000 Gallons	0.00523	0.00644	Per Gallon	23.14%

Corbin Manor Apt.

First	200,000 Gallons	\$1,118.44	\$1,376.92	Minimum Bill	23.11%
Over	200,000 Gallons	0.00523	0.00644	Per Gallon	23.14%

Nonrecurring Charges

Service Reconnection Charge	\$	30.00
Service Reconnection Charge After Hours	\$	113.00
Meter Reread Charge	\$	15.00
Additional Trip Charge	\$	15.00
Meter Test Charge	\$	32.00
Return Check Charge	\$	15.00

Meter Connection Charges

5/8 x 3/4 Inch Water Tap On All Larger Meters	\$1,497.00 Actual Cost
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The proposed rates shall not become effective until the Public Service Commission has issued an Order approving these rates. The rates will increase the monthly bill of a typical residential customer using 4,000 gallons a month from \$32.58 to \$40.13, an increase of \$7.55, or approximately 23.17 percent. This filing may be examined at the offices of Laurel District No. 2 located at 3910 South Laurel Road London, Kentucky 40744; telephone (606)-878-2494. Any person may examine this filing at the PSC located at 211 Sower Boulevard, Frankfort, Kentucky, Monday–Friday, 8:00 a.m. to 4:30 p.m. or on the PSC website at <https://psc.ky.gov/>; telephone (502) 564-3940. A copy of the PSC Commission Staff’s Report can be found at the following address: [20260428 STAFF REPORT.pdf](#). Any person may submit comments on the proposed request no later than 30 days after the date of publication of customer notice. Comments shall be in writing and shall be submitted to the Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601. Comments may also be submitted by electronic mail to [psc.comment@ky.gov](mailto:psc.comment@ky.gov). If the Commission does not receive any request for intervention or hearing in this matter within 30 days after the date of publication of this customer notice, the Commission will proceed to render a decision on the matter.

## Service List for 2025-00353

\* Kenneth Fisher  
Laurel County Water District #2  
3910 South Laurel Road  
London, KY 40744

\* Sam Reid  
312 N. Jackson Street  
Perryville, KY 40468

\* Laurel County Water District #2  
3910 South Laurel Road  
London, KY 40744

\* Wanda Smith  
Office Manager/Accountant  
Laurel County Water District #2  
3910 South Laurel Road  
London, KY 40744