

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF GARRARD)	CASE NO.
COUNTY WATER ASSOCIATION FOR A RATE)	2025-00396
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

ORDER

On December 10, 2025, Garrard County Water Association, Inc. (Garrard County Water) filed its application with the Commission requesting an adjustment to its Water rates pursuant to 807 KAR 5:076.

The Commission finds that a procedural schedule¹ should be established to ensure the orderly review of Garrard County Water's application. The procedural schedule is attached as Appendix A to this Order.

In addition, Garrard County Water shall file on or before the date set forth in the procedural schedule its responses to the Commission Staff's (Staff) request for information, attached to this Order as Appendix B, and shall respond to any future requests for information propounded by Staff by the date or dates set forth on any such requests.

¹ No action is necessary to suspend the effective date of Garrard County Water's proposed rates for service. Pursuant to 807 KAR 5:076, Section 7(1), an applicant who applies for a rate adjustment pursuant to the procedures set for in 807 KAR 5:076 may not place its proposed rates into effect until the Commission approves those rates or six months from the date of the filing of its application.

IT IS THEREFORE ORDERED that:

1. The procedural schedule set forth in Appendix A to this Order shall be followed.
2. On or before the date set forth in the procedural schedule, Garrard County Water shall file its responses to the Staff's Request for Information, attached to this Order as Appendix B.
3. Garrard County Water shall respond to any additional requests for information propounded by Commission Staff as provided in those requests.
4. No later than the date set forth in the procedural schedule, Staff shall file with the Commission and serve upon all parties of record a written report (Staff Report) containing its recommendations regarding Garrard County Water's requested rate adjustment.
5. No later than 14 days after the date of service of the Staff Report, each party of record shall file with the Commission:
 - a. Its written comments on and any objections to the findings contained in the Commission Staff Report; and
 - b. Any additional evidence for the Commission to consider.
6. If Staff recommends that Garrard County Water's financial condition supports a higher rate than Garrard County Water proposes or the assessment of an additional rate or charge not proposed in Garrard County Water's application, Garrard County Water in its response to the Staff Report shall also state its position in writing on whether the Commission should authorize the assessment of the higher rate or the additional rate or charge.

7. If Staff recommends that changes should be made to the manner in which Garrard County Water accounts for the depreciation of Garrard County Water's assets, Garrard County Water in its response to the Staff Report shall also state its position in writing on whether the Commission should require Garrard County Water to implement the proposed change for accounting purposes.

8. A party's failure to file written objections to a recommendation contained in the Staff Report within 14 days after the date of the filing of the Staff Report shall be deemed a waiver of all objections to that finding.

9. If a party requests a hearing or informal conference, then the party shall make the request in its written comments and state the reason a hearing or informal conference is necessary.

10. A party's failure to request a hearing or informal conference in the party's written response shall be deemed a waiver of all rights to a hearing on the application and a request that the case stand submitted for decision.

11. A party's failure to file a written response within 14 days after the date of service of the Staff Report shall be deemed a waiver of all rights to a hearing on the application.

12. As set forth in 807 KAR 5:001, Section 4(11), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding that is not adequately represented in the case, or (2) that intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. Therefore, any person requesting to intervene in a Commission proceeding must state

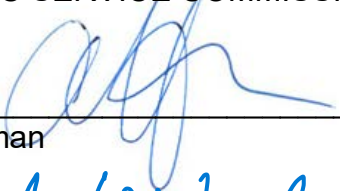
with specificity the person's special interest that is not otherwise adequately represented or the issues and facts the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of the utility consumed by the movant or a general statement regarding a potential impact of possible modification of rates will not be deemed sufficient to establish a special interest.

13. Any motion to intervene filed after the date established in the procedural schedule attached as Appendix A to this Order shall also show good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

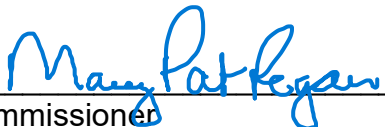
14. The Commission directs the parties to the Commission's July 22, 2021 Order in Case No. 2020-00085² regarding filings with the Commission.

² Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

PUBLIC SERVICE COMMISSION


Chairman


Commissioner


Commissioner

ATTEST:


Executive Director



APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2025-00396 DATED DEC 30 2025

Requests for intervention shall be filed no later than 01/08/2026

All requests for information to Garrard County Water
shall be filed no later than 01/15/2026

Garrard County Water shall file responses to requests
for information no later than 02/05/2026

All supplemental requests for information to
Garrard County Water shall be filed no later than 02/26/2026

Garrard County Water shall file responses to supplemental
requests for information no later than 03/12/2026

Staff's Report shall be filed no later than 04/23/2026

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2025-00396 DATED DEC 30 2025

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO GARRARD COUNTY WATER ASSOCIATION, INC.

Garrard County Water Association, Inc. (Garrard County Water), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on February 5, 2026. The Commission directs Garrard County Water to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Garrard County Water shall make timely amendment to any prior response if Garrard County Water obtains information that indicates the response was incorrect or

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Garrard County Water fails or refuses to furnish all or part of the requested information, Garrard County Water shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Garrard County Water shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. State whether Garrard County Water uses an integrated software program for billing and its general ledger. If not, provide the following information related to each of the billing software and the general ledger software Garrard County Water used during the test period:

- a. Brand or common name for software.
- b. State whether the software is locally installed on a utility-owned computer or is a subscription service that is internet based.
- c. If locally installed, state the installation date.
- d. State whether the system is still serviced by the manufacturer and whether the utility maintains a service contract.

2. Provide copies of each of the following, and when appropriate, provide in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected. Employee names should be redacted from all documents.

a. The general ledger in Excel spreadsheet format with all transactions for the year ended December 31, 2024, and 2025.

b. The trial balance in Excel spreadsheet format for the year ended December 31, 2024, and 2025.

c. Refer to Application, Schedule of Adjusted Operations (SAO). Provide a cross reference that matches each test-year general ledger account to each revenue and expense line reported in the SAO and reconcile each amount that does not match.

3. Refer to the Application, SAO, SAO Adjustment References. Provide all schedules used to support each proposed adjustment in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible. Component details of each schedule should tie to the general ledger accounts that comprise the test-year SAO line item, including any adjustment for unreconciled amounts.

4. Refer to the Application, Current Billing Analysis (2024) Usage and Existing Rates and Proposed Billing Analysis (2024) Usage and Proposed Rates.

a. Provide the billing analysis in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

b. Describe each adjustment to the billing analysis and its justification and supporting documentation.

c. Provide an analysis of the proposed pro forma adjustment to metered revenues.

5. Refer to the Application, SAO, provide an itemization of the Other Water Revenues - Miscellaneous Service Revenues of \$105,650 and state whether each component will recur.

6. Using a table format, provide an Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected that lists each position (Position 1, Position 2, etc.) job titles, hours worked, pay rates, any bonus payments, total wages paid, and total FICA (both social security and Medicare) match cost for each employee for the years ended December 31, (2024) and (2025). Overtime hours worked and paid at rates greater than the straight time pay rate should be separated from on call hours paid. Include the date the employee was hired and, if applicable, the employee's termination date. If a position is recently vacated but the intent is to fill it, note the vacancy and the amount of time that it has been vacant. The table should include a column for total wages by employee (regular wages and overtime) and a row for total wages for all employees. Employee names should be redacted from all documents.

a. Provide calculations by employee that support pro forma wages of \$482,733. This may be provided as a separate table or combined with the table above. If a position is recently vacated but the intent is to fill it, note the vacancy and the amount of time that it has been vacant.

b. State the planned number of employees separated between full-time and part-time that make up the pro forma wage amount of \$482,733.

c. For any part-time employees, state how many weekly hours the part-time is expected to work.

d. Provide a summary of overtime hours worked and cost that were due to vacant positions and thus will be eliminated when the vacant positions are filled.

e. For any bonuses provide written personnel policies including a description of the measurement determinates.

f. Distribute the increase of \$46,367 in pro forma labor costs in the following format.

Description	Amount	Percent
Gross Test Year Wages	\$ 436,366	
Charged to Tap Fees/Capitalization ()		
Reported Test Year Wages	\$ 436,366	
Wage Rate Inflation		0.00%
Merit/Promotion Increase		0.00%
Positions Added Since Beginning of Test Year		0.00%
Turnover During Test Year		0.00%
Pro Forma Wages	\$ 482,733	0.00%

7. Provide a complete description of each employee benefit, paid to or on behalf of each employee for calendar year 2024. Supplemental coverage for which the employee pays 100 percent of the cost should also be included.

a. Provide a copy of one invoice for (test year) each employee benefit described above.

b. State whether there were any significant changes to any benefit coverage described above subsequent to the test year.

c. Provide a copy of the most recent invoice for each employee benefit described above.

8. Provide the benefit package information provided by the county to its employees in which the district serves. If it is more than one service county, provide the benefit package information for each county. Specifically, include the employer contribution percentage for each benefit provided.

9. Provide the employee turnover rate both as a number and percentage for the most recent five calendar years as well as the year to date.

10. For the same period as in Item 9, if employees are surveyed upon providing notice of resignation, were benefits identified as the reason for separation.

11. Provide certificates of insurance and most recent invoices for general liability, workers' compensation, automobile, property and casualty, and any other coverage for 2024 and 2025.

12. Provide the following regarding Purchased Water Expenses for 2024.

a. Provide the gallons purchased, total cost, and average unit cost by month for each supplier and in total for all suppliers.

b. Reconcile reported gallons purchased in the test year annual report water statistics to the amounts reported in item 9a.

13. Provide the minutes from Garrard County Water's commissioner meetings for the 2023, 2024, and year to date 2025. Consider this a continuing request through the date of issuance of Commission Staff's Report.

a. Designate each action that authorizes hiring.

b. Designate each action that authorizes adjustments to wage rates, any other compensation (including bonuses), or fringe benefit actions. Include any authorization for the 10 percent increase in January 2026 referenced in the SAO references, Adjustment F.

14. Provide a document that lists the name of each commissioner during any portion of calendar year 2024 and 2025, their term (beginning and ending), and current authorized annual compensation.

a. State, individually, the amount of wages and each benefit (i.e., health insurance premiums, life insurance premiums, FICA taxes, etc.) paid to, or on the behalf of, each commissioner for each year.

b. Provide documentation from the Fiscal Court that authorizes each commissioner's appointment and compensation.

c. Provide training records for each commissioner for 2023, 2024, and 2025 or a statement that the individual has not attended training.

15. Refer to Application, SAO, Adjustment M. Provide the following information regarding the proposed rate case expense.

a. Provide a quote listing the rate case expense being amortized as part of Adjustment M.

b. State whether the amount submitted in in the quote is a fixed amount or describe what factors would cause the stated amount to increase or decrease.

c. State the date the quoted amount is payable by Garrard County Water.

d. State whether the expected rate case expense will be paid for by Garrard County Water or a third party (i.e., grant funds).

16. Provide the following for new tap installations.

a. Number of installations during the test year.

b. State whether labor costs were capitalized and, if so, provide the total amount and designate the line in the fixed assets listing that reflects the capitalization.

c. State whether material costs were capitalized and, if so, provide the total amount and designate the line in the fixed assets listing that reflects the capitalization.

17. Refer to Garrard County Water's Tariff, PSC Ky. No. 2, Original Sheet No. 20-24, Rules and Regulations (Terms and Conditions of Billing and of Payment)

a. Provide the date that Garrard County Water's billing cycle begins (meter read date).

b. State whether the date that the billing cycle begins is the date that would be best stated as the effective date of any order the Commission issues concerning rates in this case.

18. State the last time Garrard County Water performed a cost of service study (COSS) to review the appropriateness of its current rates and rate design.

a. Explain whether Garrard County Water considered filing a COSS with the current rate application and the reasoning for not filing one.

b. Explain whether any material changes to Garrard County Water system would cause a new COSS to be prepared since the last time it completed one.

c. If there have been no material changes to Garrard County Water system, state when Garrard County Water anticipates completing a new COSS.

d. Provide a copy of the most recent COSS that has been performed for Garrard County Water system in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

19. Provide the number of occurrences and dollar amounts for late fees collected from customers that were recorded during 2023, 2024, and 2025.

20. Provide a schedule that lists the number of occurrences of each nonrecurring charge and the revenue amount that was recorded during 2024. Include nonrecurring charges for which no there were no occurrences or reported revenue. Include the general ledger account numbers where each nonrecurring charge is recorded.

21. Provide updated cost justification sheets to support each nonrecurring charge listed in Garrard County Water's tariff.

22. Provide updated cost justification sheets to support each Meter Connection/Tap-on Charge listed in Garrard County Water's tariff.

23. Provide an explanation of why Garrard County Water utilized the Operating Ratio method to determine its revenue requirement rather than Debt Service Coverage method. In the response, explain how Garrard County Water determined that the Operating Ratio method was appropriate given that the Garrard County Water currently has two outstanding debt obligations, and describe whether Garrard County Water evaluated the Debt Service Coverage method as part of its filing.

24. Refer to 8_Depreciation_Schedule, it appears that information may be missing between pages 4 and 5. Provide any missing pages, information and any related

supporting documentation. If no additional pages or information exist, confirm that the Depreciation Schedule as submitted is complete and includes all pages in their entirety.

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