

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF CUMBERLAND	)	
COUNTY WATER DISTRICT FOR A	)	
CERTIFICATE OF PUBLIC CONVENIENCE AND	)	CASE NO.
NECESSITY TO CONSTRUCT A WATER	)	2026-00082
SYSTEM IMPROVEMENTS PROJECT AND AN	)	
ORDER AUTHORIZING THE ISSUANCE OF	)	
SECURITIES PURSUANT TO KRS 278.300	)	

ORDER

On April 10, 2026, Cumberland County Water District (Cumberland District) filed an application pursuant to KRS 278.020, KRS 278.300, and 807 KAR 5:001, seeking financing approval and a Certificate of Public Convenience and Necessity (CPCN) to construct a systems improvement project.<sup>1</sup> No party requested intervention. Cumberland District responded to one request for information.<sup>2</sup> This matter now stands submitted for decision by the Commission.

BACKGROUND

Cumberland District is a water district organized pursuant to KRS Chapter 74 that owns and operates a water distribution system through which it provides retail water service to approximately 2,805 residential customers, 85 commercial customers, five industrial customers, and one public authority in Cumberland County, Kentucky.<sup>3</sup> A rate

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<sup>1</sup> Application at 1.

<sup>2</sup> Cumberland District's Response to Commission Staff's First Request for Information (Staff's First Request) (filed May 11, 2026).

<sup>3</sup> *Annual Report of Cumberland District to the Public Service Commission for the Calendar Year Ended December 31, 2024* (2024 Annual Report) at 12 and 49.

increase was approved for Cumberland District on December 23, 2025, in Case No. 2025-00226.<sup>4</sup> According to the annual report, Cumberland District's unaccounted for water loss in 2024 was 34.0803 percent.<sup>5</sup>

## CPCN REQUEST

### Proposed Project

Cumberland District requested a CPCN to construct a duplex 250 gallons per minute (gpm) booster station, approximately 1,250 linear feet (LF) of 8-inch ductile iron and PVC water transmission main, and approximately 3,135 LF of 2-inch and 3-inch PVC water distribution mains, along with all appurtenances (Booster Pump Station Replacement Project).<sup>6</sup> The new pump station will replace the existing, non-operational Joe Scott Ridge Booster Pump Station, which will be demolished and removed as part of the project.<sup>7</sup> The Joe Scott Ridge Booster Pump Station has been out of service for approximately fifteen years, is completely deteriorated, and in a state of disrepair.<sup>8</sup> Cumberland District explained that, in addition to its current physical condition, the location and hydraulic characteristics of the current station are such that adequate suction pressure cannot be maintained at the flow rates required to support the system without supplemental supply from the city of Albany (Albany).<sup>9</sup> Cumberland District stated that,

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<sup>4</sup> Case No. 2025-00226, *Electronic Application of Cumberland County Water District for an Adjustment of Rates Pursuant to 807 KAR 5:076* (Ky. PSC Dec. 23, 2025), Order.

<sup>5</sup> 2024 Annual Report at 58.

<sup>6</sup> Application, Exhibit A.

<sup>7</sup> Application, Exhibit A.

<sup>8</sup> Application, Exhibit A.

<sup>9</sup> Application, Exhibit A.

as a result, the existing facility is not capable of supporting current system demands or the operational changes necessary to improve system reliability.<sup>10</sup>

Cumberland District stated that it advertised the bids for the Booster Pump Station Replacement Project in the *Cumberland County News* on February 18, 2025, and February 25, 2025.<sup>11</sup> Cumberland District stated that it received five bids to complete the Booster Pump Station Replacement Project.<sup>12</sup> Cumberland District stated that Stotts Construction Company, Inc. of Columbia, Kentucky (Stotts Construction) was selected as the lowest responsive and responsible bidder.<sup>13</sup> Stotts Construction's bid was \$938,023 for the entire project.<sup>14</sup>

Cumberland District stated that the estimated cost of the Booster Pump Station Replacement Project is \$1,110,000 including costs and contingencies.<sup>15</sup> Cumberland District stated that it will not seek a rate increase as the financial impacts of the project were included in Cumberland District's current approved rate structure.<sup>16</sup>

### Financing

In its application, Cumberland District requested authorization to borrow an amount not to exceed \$1,110,000 at an interest rate of 1.00 percent over 20 years from the

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<sup>10</sup> Application, Exhibit A.

<sup>11</sup> Application, Exhibit A.

<sup>12</sup> Application, Exhibit A.

<sup>13</sup> Application, Exhibit A.

<sup>14</sup> Application, Exhibit J, Engineer's Certificated Bid Tabs.

<sup>15</sup> Application, Exhibit C, Attachment B

<sup>16</sup> Cumberland District's Response to Staff's First Request, Item 16. See Case No. 2025-00226, *Electronic Application of Cumberland County Water District for an Adjustment of Rates Pursuant to 807 KAR 5:076*, (Ky. PSC Dec. 23,2025).

Kentucky Infrastructure Authority (KIA) Infrastructure Revolving Loan Fund (B25-014) (KIA Loan).<sup>17</sup> The KIA Loan would be supported by an assistance agreement between Cumberland District and KIA.<sup>18</sup> The proceeds of the KIA Loan would be used to finance the Joe Scott Ridge Booster Pump Station Replacement construction project.<sup>19</sup>

### Need

Cumberland District stated that the Booster Pump Station Replacement Project was critical to ensure that Cumberland District can meet the demands of existing and future customers throughout southern Cumberland County in a safe, reliable, and efficient manner.<sup>20</sup> Cumberland District stated that it currently serves the southern portion of its distribution system through a combination of wholesale water purchases from the city of Burkesville (Burkesville) and Albany.<sup>21</sup> Cumberland District stated that, in recent years, Albany has had multiple instances where it was unable to provide sufficient wholesale water supply.<sup>22</sup> Cumberland District explained that during each incident Albany either significantly reduced or completely ceased delivery to Cumberland District, requiring Cumberland District to adjust operations and rely on alternative available supplies to maintain service.<sup>23</sup> Cumberland District further explained that the cause of the

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<sup>17</sup> Application at 3, paragraph 5(vi).

<sup>18</sup> Application at 3, paragraph 5(vi).

<sup>19</sup> Application at 5, paragraph 8(iv).

<sup>20</sup> Application, Exhibit A.

<sup>21</sup> Application, Exhibit A.

<sup>22</sup> Cumberland District's Response to Staff's First Request, Item 7. Cumberland District stated the occurrences with Albany began in January and February 2023 and also occurred from January 23, 2024, through January 27, 2024, January 29, 2025 through January 31, 2025, February 5, 2025 through February 8, 2025, February 28, 2025, May 17, 2025, and February 4, 2026 through February 9, 2026.

<sup>23</sup> Cumberland District's Response to Staff's First Request, Item 7.

interruptions have generally been attributed to system-wide leaks and failures within the Albany distribution system.<sup>24</sup> Cumberland District stated it was only able to maintain service, when Albany was unable to provide sufficient water supply, by maximizing its available supply from Burkesville to the limits of existing infrastructure.<sup>25</sup> Cumberland District stated that, during these periods, it did not maintain fully adequate service conditions as storage tank storage levels were completely depleted and system pressures throughout portions of the distribution system were significantly reduced.<sup>26</sup> Cumberland District explained that the recurring supply deficiencies with Albany are a significant risk to Cumberland District's ability to provide continuous water service and create a potential for low-pressure events, service interruptions, and associated public health concerns.<sup>27</sup>

Cumberland District stated that currently it cannot adequately serve the southern portion of its system without reliance on the supplemental supply from Albany which places a critical portion of Cumberland District's customer base at risk during periods when Albany is unable to deliver sufficient water.<sup>28</sup> Cumberland District explained that the proposed Booster Pump Replacement Project directly addresses its system vulnerability issue by enabling it to deliver the full required supply from its wholesale connection with Burkesville.<sup>29</sup> Cumberland District stated that Burkesville has sufficient

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<sup>24</sup> Cumberland District's Response to Staff's First Request, Item 7.

<sup>25</sup> Cumberland District's Response to Staff's First Request, Item 8.

<sup>26</sup> Cumberland District's Response to Staff's First Request, Item 8.

<sup>27</sup> Application, Exhibit A.

<sup>28</sup> Application, Exhibit A.

<sup>29</sup> Application, Exhibit A.

capacity to meet both current and projected water supply demand of Cumberland District.<sup>30</sup> Cumberland District also noted that it will continue to purchase wholesale water from Albany to be primarily used as a secondary supply source as required to enhance system redundancy and reliability.<sup>31</sup> Cumberland District stated that, by shifting the primary source of supply for the southern service area to Burkesville, it will eliminate its reliance on an unreliable source while significantly improving overall system performance and operational redundancy.<sup>32</sup> Cumberland District further stated that this configuration would allow it to respond more effectively to outages, peak demand conditions, or unforeseen emergencies and would result in a substantially more reliable and secure water supply for customers throughout the service area.<sup>33</sup>

#### Lack of Wasteful Duplication

Cumberland District considered two alternatives for the Booster Pump Station Project.<sup>34</sup> The first alternative that Cumberland District considered was to upgrade the existing supply from Burkesville via KY 449 Pump Station and Transmission Main.<sup>35</sup> Cumberland District stated this alternative would involve upgrading the existing supply route from Burkesville to southern Cumberland County through significant improvements to the KY Highway 449 Pump Station and approximately 22,000 LF of associated 8-inch

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<sup>30</sup> Application, Exhibit A.

<sup>31</sup> Cumberland District's Response to Staff's First Request, Item 10.

<sup>32</sup> Application, Exhibit A.

<sup>33</sup> Application, Exhibit A.

<sup>34</sup> Application, Exhibit A.

<sup>35</sup> Application, Exhibit A.

transmission main.<sup>36</sup> Cumberland District explained that, while this option would provide additional supply capacity, it would require significantly more extensive infrastructure improvements over a larger geographic area.<sup>37</sup> Cumberland District further stated that this alternative would have a substantially higher estimated project cost of approximately \$3,200,000, as well as a considerably longer design and construction timeline compared to the proposed Booster Pump Station Replacement Project.<sup>38</sup> Cumberland District argued that this alternative was not a practical or cost-effective solution due to the increased cost, extended implementation schedule, and the urgency of addressing the current supply reliability issues.<sup>39</sup>

The second alternative that Cumberland District considered was the Triplex Booster Pump Station Configuration.<sup>40</sup> Cumberland District stated this alternative consisted of the same overall project scope as the selected project, but with the installation of a triplex (three-pump) booster pump station in lieu of the proposed duplex (two-pump) configuration.<sup>41</sup> Cumberland District explained that a triplex configuration would provide enhanced operation flexibility and redundancy, allowing for improved system reliability maintenance activities, specifically allowing one unit to be taken offline while still maintaining fully operational redundancy with two pumps.<sup>42</sup> Additionally,

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<sup>36</sup> Application, Exhibit A.

<sup>37</sup> Application, Exhibit A.

<sup>38</sup> Application, Exhibit A.

<sup>39</sup> Application, Exhibit A.

<sup>40</sup> Application, Exhibit A.

<sup>41</sup> Application, Exhibit A.

<sup>42</sup> Application, Exhibit A.

Cumberland District stated that a triplex booster pump station would not be required in the event of future customer growth at a scale which would be reasonable expected within the service area.<sup>43</sup> Cumberland District explained that a single pump is capable of delivering the full transmission capacity of the existing system mains and that increasing the station from a duplex to a triplex configuration would not increase system hydraulic capacity, nor change the system's ability to serve additional customers.<sup>44</sup> Cumberland District stated that this alternative was included as part of the bid package and would increase the overall project cost by \$62,357.<sup>45</sup> Cumberland District explained that the triplex option was evaluated solely as an option to provide additional operational redundancy and maintenance flexibility, allowing one pump to be taken offline while maintaining redundancy with the remaining units.<sup>46</sup> Cumberland District argued that, given that the system is designed to operate with only one pump at a time, the duplex configuration would provide sufficient redundancy, and thus the additional cost associated with the triplex configuration was not justified at this time.<sup>47</sup>

Cumberland District stated that it did not consider rehabilitation of the existing Joe Scott Ridge Pump Station because the existing booster pump station had been out of service for approximately 15 years and had significantly deteriorated during that time.<sup>48</sup> Cumberland District stated that the Joe Scott Ridge Pump Station was in an advanced

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<sup>43</sup> Cumberland District's Response to Staff's First Request, Item 14.

<sup>44</sup> Cumberland District's Response to Staff's First Request, Item 14.

<sup>45</sup> Application, Exhibit A.

<sup>46</sup> Cumberland District's Response to Staff's First Request, Item 14.

<sup>47</sup> Application, Exhibit A.

<sup>48</sup> Cumberland District's Response to Staff's First Request, Item 3.

state of disrepair and would require a substantial rehabilitation to return it to operable condition.<sup>49</sup> Cumberland District further stated that the more significant issue with the Joe Scott Ridge Pump Station was the inadequate suction pressure available at the existing station location.<sup>50</sup> Cumberland District explained that due to the hydraulic characteristics of the existing system, adequate suction pressure cannot be maintained at the flow rates necessary to support the system without supplemental supply from Albany.<sup>51</sup> Cumberland District further explained that this hydraulic limitation is inherent to the location and configuration of the existing distribution system and cannot be adequately corrected through rehabilitation of the existing station alone.<sup>52</sup> Additionally, Cumberland District stated that even with major structural, mechanical, and electrical upgrades, the rehabilitated station would still be unable to reliably achieve the suction conditions necessary to support current system demands and the operational improvements sought through the project.<sup>53</sup> Cumberland District argued that, because the primary deficiency is a hydraulic limitation that cannot possibly be overcome through rehabilitation, Cumberland District did not consider rehabilitation of the existing booster pump station as a practical or viable alternative.<sup>54</sup> Cumberland District stated that the proposed replacement booster pump station would be constructed at an elevation approximately

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<sup>49</sup> Cumberland District's Response to Staff's First Request, Item 3.

<sup>50</sup> Cumberland District's Response to Staff's First Request, Item 3.

<sup>51</sup> Cumberland District's Response to Staff's First Request, Item 3.

<sup>52</sup> Cumberland District's Response to Staff's First Request, Item 3.

<sup>53</sup> Cumberland District's Response to Staff's First Request, Item 3.

<sup>54</sup> Cumberland District's Response to Staff's First Request, Item 3.

110 feet lower than the existing station location.<sup>55</sup> Cumberland District explained that by lowering the elevation of the station, Cumberland District would be able to achieve adequate pressure under normal operating conditions and provide the hydraulic conditions necessary for reliable operation.<sup>56</sup>

### LEGAL STANDARD

The Commission's standard of review regarding a CPCN is well settled. No utility may construct or acquire any facility to be used in providing utility service to the public until it has obtained a CPCN from this Commission.<sup>57</sup> To obtain a CPCN, the utility must demonstrate a need for such facilities and an absence of wasteful duplication.<sup>58</sup>

"Need" requires:

[A] showing of a substantial inadequacy of existing service, involving a consumer market sufficiently large to make it economically feasible for the new system or facility to be constructed or operated. [T]he inadequacy must be due either to a substantial deficiency of service facilities, beyond what could be supplied by normal improvements in the ordinary course of business; or to indifference, poor management, or disregard of the rights of consumers, persisting over such a period of time as to establish an inability or unwillingness to render adequate service.<sup>59</sup>

"Wasteful duplication" is defined as "an excess of capacity over need" and "an excessive investment in relation to productivity or efficiency, and an unnecessary

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<sup>55</sup> Cumberland District's Response to Staff's First Request, Item 3.

<sup>56</sup> Cumberland District's Response to Staff's First Request, Item 3.

<sup>57</sup> KRS 278.020(1). Although the statute exempts certain types of projects from the requirement to obtain a CPCN, the exemptions are not applicable.

<sup>58</sup> *Kentucky Utilities Co. v. Pub. Serv. Comm 'n*, 252 S.W.2d 885 (Ky. 1952).

<sup>59</sup> *Kentucky Utilities Co.*, 252 S.W.2d at 890.

multiplicity of physical properties.”<sup>60</sup> To demonstrate that a proposed facility does not result in wasteful duplication, the Commission has held that the applicant must demonstrate that a thorough review of all reasonable alternatives has been performed.<sup>61</sup> Although cost is a factor, selection of a proposal that ultimately costs more than an alternative does not necessarily result in wasteful duplication.<sup>62</sup> All relevant factors must be balanced.<sup>63</sup>

KRS 278.300 requires Commission authorization before a utility may “issue any securities or evidence of indebtedness or assume any obligation or liability in respect to the securities or evidence of indebtedness of any other person.”<sup>64</sup> KRS 278.300(3) establishes the legal standard and clarifies the scope of Commission review, stating:

The commission shall not approve any issue or assumption unless, after investigation of the purposes and uses of the proposed issue and proceeds thereof, or of the proposed assumption of obligation or liability, the commission finds that the issue or assumption is for some lawful object within the corporate purposes of the utility, is necessary or appropriate for or consistent with the proper performance by the utility of its service to the public and will not impair its ability to perform that service, and is reasonably necessary and appropriate for such purpose.

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<sup>60</sup> *Kentucky Utilities Co.*, 252 S.W.2d at 890.

<sup>61</sup> Case No. 2005-00142, *Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade, and Hardin Counties, Kentucky* (Ky. PSC Sept. 8, 2005), Order at 11.

<sup>62</sup> See *Kentucky Utilities Co. v. Pub. Serv. Comm'n*, 390 S.W.2d 168, 175 (Ky. 1965). See also Case No. 2005-00089, *Application of East Kentucky Power Cooperative, Inc. for a Certificate of Public Convenience and Necessity for the Construction of a 138 kV Electric Transmission Line in Rowan County, Kentucky* (Ky. PSC Aug. 19, 2005), Order at 6.

<sup>63</sup> Case No. 2005-00089, Aug. 19, 2005 Order at 6.

<sup>64</sup> KRS 278.300(1).

## DISCUSSION AND FINDINGS

Having considered the evidence, the Commission finds that Cumberland District's request for a CPCN should be granted as discussed below.

### Need

Having considered the application and all evidence in the record, the Commission finds that Cumberland District has demonstrated a need for the Booster Pump Station Replacement Project. Cumberland District needs the booster station to address water supply issues from Albany and to shift its primary wholesale supply source to Burkesville. As noted above, Cumberland District has had multiple instances where water supply delivery to Cumberland District from Albany was either significantly reduced or completely ceased resulting in Cumberland District's storage tank storage levels being completely depleted and system pressures being significantly reduced.

### Wasteful Duplication

The Commission also finds that the Booster Pump Station Replacement Project will not result in wasteful duplication. As noted above, the Booster Pump Station Replacement Project is intended to combat the ongoing water supply issues between Albany and Cumberland District. Additionally, according to the application, the Booster Pump Station Replacement Project will allow for adequate suction pressure under normal operating conditions and provide the hydraulic conditions necessary for reliable operation. The Booster Pump Station Replacement Project was competitively bid with the lowest bid being accepted. Cumberland District also considered two additional alternatives: (1) upgrading the existing supply from Burkesville via KY 449 Pump Station and Transmission Main or (2) Triplex Booster Pump Station. As a result, the Commission was

provided sufficient evidence that Cumberland District selected the least cost, most reasonable option.

### Financing

Having considered the evidence of the record and being otherwise sufficiently advised, the Commission finds that Cumberland District's request to issue indebtedness not to exceed \$1,110,000 at 1.00 percent interest satisfies the legal standards established in KRS 278.300(3) as discussed below and thus should be approved.

The lawful object of the utility's purpose is to provide adequate, efficient, and reasonable service at fair, just and reasonable rates. The proposed financing, through a KIA assistance agreement, meets the lawful object of the utility's purpose as it will assist in the construction of the Booster Pump Station Replacement Project. At present, Cumberland District stated it cannot adequately serve the southern portion of its system without reliance on the supplementary supply from Albany.<sup>65</sup> This dependency places a critical portion of Cumberland District's customer base at risk during periods when Albany is unable to deliver sufficient water. The proposed project directly addresses that vulnerability by enabling Cumberland District to deliver the full required supply from its wholesale connection with Burkesville, which has sufficient capacity to meet current and projected demands. Therefore, the Commission finds the use of the funds would be for a lawful purpose.

Additionally, the proposed financing is necessary or appropriate for, or consistent with, the proper performance by the utility of its service to the public and will not impair Cumberland District's ability to perform that purpose because the financing is being used

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<sup>65</sup> Application, Exhibit A.

to construct the new booster pump station Cumberland District will use in the performance of its duties. The KIA Loan should not impair Cumberland District's ability to perform its core function since Cumberland District is recovering the debt service payments in its base rates. Additionally based upon the pro forma assumptions in the application, the Commission notes that it appears Cumberland District shows adequate cash flow to repay the KIA loan.<sup>66</sup>

Finally, the proposed financing is reasonably necessary and appropriate for Cumberland District to meet its statutory duty to provide adequate, efficient, and reasonable service because it allows Cumberland District to shift the primary source of supply for the southern service area to Burkeville and will eliminate its reliance on an unreliable source while significantly improving overall system performance and operational redundancy.<sup>67</sup> The connection to Albany will still be maintained and repurposed as an emergency backup supply, allowing Cumberland District to respond more efficiently to outages, peak demand conditions, or unforeseen emergencies.<sup>68</sup> Since the KIA Loan is for 1.00 percent interest, the cost of the KIA Loan appears to be less expensive than other sources of financing.

### Financial Condition

Based on a review of Commission records, Cumberland District last sought an alternative rate adjustment in 2025.<sup>69</sup> Cumberland District's rate increase in Case No.

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<sup>66</sup> Application, Exhibit C, attachment B, section VIII Financial Analysis, Projections.

<sup>67</sup> Application, Exhibit A.

<sup>68</sup> Application, Exhibit A.

<sup>69</sup> Case No. 2025-00226, *Electronic Application of Cumberland County Water District for an Adjustment of Rates Pursuant to 807 KAR 5:076* (Ky. PSC Dec. 23,2025).

2025-00226 was based on a 2024 test year, which became final on December 23, 2025, and resulted in an increase in revenues of \$292,740 or 14.95 percent.<sup>70</sup>

Description / Year	Notes	Audited 2020	Audited 2021	Audited 2022	Audited 2023	Audited 2024	Impact	Pro Forma
<i>Adjusted Net Income</i>								
Net Income / (Loss)		\$ (79,114)	\$ (13,989)	\$ (241,251)	\$ (11,783)	\$ (106,857)	\$ (31,124)	\$ (171,213)
Interest Expense		133,834	101,145	94,272	100,267	89,477		89,477
Other Non-recurring Items ( )		(211,029)	(28,971)			(184,289)		(184,289)
Water Loss Surcharge ( )					(6,733)	(87,967)		(87,967)
Additional Revenues per Case # 2025-00226								292,740
Additional Revenues per Case # 2026-00037								33,232
<b>Adjusted Net Income / (Loss)</b>		<b>(156,309)</b>	<b>58,185</b>	<b>(146,979)</b>	<b>81,751</b>	<b>(289,636)</b>	<b>(31,124)</b>	<b>(28,020)</b>
Interest Expense ( )		(133,834)	(101,145)	(94,272)	(100,267)	(89,477)		(89,477)
Principal Payments ( )		(109,473)	(109,473)	(140,413)	(212,728)	(204,278)	(63,593)	(267,871)
Subtract: Total Debt Service ( )		(243,307)	(210,618)	(234,685)	(312,995)	(293,755)	(63,593)	(357,348)
<b>Rate Based Income (Excludes Working Capital of 20%)</b>		<b>(399,616)</b>	<b>(152,433)</b>	<b>(381,664)</b>	<b>(231,244)</b>	<b>(583,391)</b>	<b>(94,717)</b>	<b>(385,368)</b>
Add: Depreciation Expense		329,605	325,017	312,656	308,351	312,498	31,124	343,622
<b>Cash Basis Income</b>		<b>\$ (70,011)</b>	<b>\$ 172,584</b>	<b>\$ (69,008)</b>	<b>\$ 77,107</b>	<b>\$ (270,893)</b>	<b>\$ (63,593)</b>	<b>\$ (41,746)</b>
Cash Basis Income as Percent of Depreciation		-21%	53%	-22%	25%	-87%		
Capital Spending		\$ 837,420	\$ 110,264	\$ 29,588		\$ 48,252		
<i>Cash and Investments</i>								
Unrestricted Cash and Investments		\$ 97,077	\$ 266,192	\$ 130,356	\$ 197,409	\$ 204,648		
Restricted Funds		516,937	175,252	100,020	28,777	91,707		
Adjusted Cash Balances		614,014	441,444	230,376	226,186	296,355		
Net Increase (Decrease) in Cash		\$ 614,014	\$ (172,570)	\$ (211,068)	\$ (4,190)	\$ 70,169		
<i>Selected Statistical Information (PSC Annual Reports)</i>								
Customer Count		2,801	2,910	2,723	2,919	2,896		
Gallons Purchased		201,777	197,902	228,461	226,675	217,645		
Gallons Sold		116,275	120,195	132,894	137,697	140,462		
Gallons Used for Internal Use		3,386	8,028	6,345	2,549	3,009		
Water Loss Gallons		82,116	69,679	89,222	86,429	74,174		
System Use Percentage		1.68%	4.06%	2.78%	1.12%	1.38%		
Water Loss Percentage		40.6964%	35.2088%	39.0535%	38.1290%	34.0803%		
Gallons Sold Per Customer Per Month		3,459	3,442	4,067	3,931	4,042		
Revenues from the Sale of Water		\$ 1,373,185	\$ 1,393,165	\$ 1,498,158	\$ 1,607,246	\$ 1,805,877		
Purchased Water Expense		471,708	403,015	509,420	483,574	584,741		
Purchased Water Expense Over 15% Water Loss		121,212	81,445	122,533	111,846	111,570		
Water Loss Expense Over 15% as Percentage of Water Revenue		8.83%	5.85%	8.18%	6.96%	6.18%		

The Commission reminds Cumberland District that it is responsible for ensuring that its base rates remain sufficient to meet operating expenses, debt service, and system maintenance. Accordingly, the Commission recommends Cumberland District review its financial performance annually and consider filing a base rate adjustment application at least every three to five years, or earlier if its financial condition does not improve when the effects of the new rates are determined.

<sup>70</sup> Case No. 2025-00226, *Electronic Application of Cumberland County Water District for an Adjustment of Rates Pursuant to 807 KAR 5:076* (Ky. PSC Dec. 23, 2025), Order at 30.

IT IS THEREFORE ORDERED that:

1. Cumberland District is granted a CPCN for the Booster Pump Station Replacement Project.
2. Cumberland District shall immediately notify the Commission in writing upon knowledge of any material changes to the project, including, but not limited to, increase in costs and any significant delays in construction.
3. Any material deviation from the construction approved by this Order shall be undertaken only with prior approval of the Commission.
4. Cumberland District shall file with the Commission documentation of the total costs of the projects, including the cost of construction and all other capitalized costs, (e.g. engineering, legal, administrative, etc.) within 60 days of the date the construction authorized under this CPCN is substantially completed. Construction costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.
5. Cumberland District shall file a copy of the as-built drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certified herein.
6. Cumberland District is authorized to issue the evidence of debt in the principal amount not to exceed \$1,110,000 subject to the conditions discussed herein.
7. The proceeds from the issuance of the evidence of debt authorized shall be used only for the lawful purposes set out in the application.

8. Cumberland District shall only execute the KIA loan documents to the extent their terms and conditions are consistent with the loan described in its application, except as otherwise authorized herein.

9. Cumberland District shall file the loan documents in this matter within ten days of executing them.

10. Cumberland District shall file notice of the start of construction within 30 days of such action.

11. Cumberland District shall file notice of 50 percent completion within 30 days of such action.

12. Any documents filed in the future pursuant to paragraphs 2, 4, 5, 9, 10, and 11, shall reference this case number and shall be retained in the post-case correspondence file.


13. The Executive Director is delegated authority to grant reasonable extensions of time for filing any documents required by this Order upon Cumberland District's showing of good cause for such extension.

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

Nothing contained herein shall be deemed a warranty or finding of value of securities or financing authorized herein on the part of the Commonwealth of Kentucky or any agency thereof.

Entered on this 4th day of June, 2026.

PUBLIC SERVICE COMMISSION

  
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Angie Hatton  
Chair

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

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

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

ATTEST:

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

## Service List for 2026-00082

\* Cumberland County Water District  
133 Lower River Street  
Burkesville, KY 42717-9622

\* Michael Ballard  
General Manager  
Cumberland County Water District  
133 Lower River Street  
Burkesville, KY 42717-9622

\* Lee Mudd  
PE  
Monarch Engineering  
556 Carlton Dr  
Lexington, KY 40342

\* Honorable W. Randall Jones  
Attorney at Law  
Rubin & Hays  
Kentucky Home Trust Building  
450 South Third Street  
Louisville, KY 40202