

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF LARUE	)	CASE NO.
COUNTY WATER DISTRICT #1 FOR FINANCING	)	2026-00173
APPROVAL PURSUANT TO KRS 278.300	)	

ORDER

On July 7, 2026, Larue County Water District #1 (Larue District #1) filed an application, pursuant to KRS 278.300, requesting authority to issue evidence of indebtedness.

KRS 278.300(2) provides that the Commission must adjudicate an application for authority to issue evidence of indebtedness within 60 days of the date that the application was filed. KRS 278.300(2) also provides that the Commission can continue its review of the application for longer than 60 days upon a showing of good cause.

Based upon a review of the application, the Commission finds that an investigation is necessary to determine the reasonable necessity and appropriateness of the request, and that the investigation cannot be completed by September 5, 2026, because further information from the Applicant is needed in order to conduct a thorough investigation of the application. For that reason, the Commission finds that good cause exists to continue the application beyond the 60-day period specified in KRS 278.300(2) so that the Commission can conduct a thorough review of the proposed transaction.

The Commission further finds that a procedural schedule should be established for the orderly processing of this case. The procedural schedule is attached as Appendix A to this Order.

In addition, Larue District #1 shall file on or before the date set forth in the procedural schedule its responses to the Commission Staff's Request for Information, attached to this Order as Appendix B, and shall respond to any future requests for information propounded by Commission Staff by the date or dates set forth on any such requests.

IT IS THEREFORE ORDERED that:

1. Larue District #1's application for approval of the proposed evidence of indebtedness is continued beyond the 60-day period specified in KRS 278.300(2).
2. The procedural schedule set forth in Appendix A to this Order shall be followed.
3. On or before the date set forth in the procedural schedule, Larue District #1 shall file its responses to the Commission Staff's Request for Information, attached to this Order as Appendix B.
4. Larue District #1 shall respond to any additional requests for information propounded by Commission Staff as provided in those requests.
5. Any party filing a paper with the Commission shall file an electronic copy in accordance with the electronic filing procedures set forth in 807 KAR 5:001, Section 8. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked. The Commission directs the parties to the

Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission.

6. 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 that the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of the utility service 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.

7. Any motion to intervene filed after the date established in the procedural schedule 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.

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).

Entered on this 21st day of July, 2026.

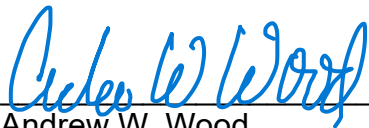
PUBLIC SERVICE COMMISSION



Angie Hatton
Chair



Mary Pat Regan
Vice Chair



Andrew W. Wood
Commissioner



Barry L. Mayfield
Commissioner

ATTEST:



Linda C. Bridwell, PE
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2026-00173 DATED JUL 21 2026

Last day for intervention requests to be accepted..... 08/06/2026

Larue District #1 shall file responses to initial requests for
information no later than..... 08/13/2026

All supplemental requests for information to Larue District #1
shall be filed no later than 08/27/2026

Larue District #1 shall file responses to supplemental requests
for information no later than 09/10/2026

Last day for parties to request a Public Hearing or submit a
request for the matter be decided based upon the written record 09/17/2026

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2026-00173 DATED JUL 21 2026

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO LARUE COUNTY WATER DISTRICT #1

Larue County Water District #1 (Larue District #1), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on August 13, 2026. The Commission directs Larue District #1 to the Commission's July 22, 2021 Order in Case No. 2020-00085² 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. Larue District #1 shall make timely amendment to any prior response if Larue District #1 obtains information that indicates the response

² Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID19* (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).

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

For any request to which Larue District #1 fails or refuses to furnish all or part of the requested information, Larue District #1 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, Larue District #1 shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application, Exhibit 1, page 14 that states “the Borrower must maintain a 1.1 debt coverage ratio throughout the life of the KIA loan.”

a. Provide the impact that the proposed financing will have on Larue District #1’s debt service coverage ratio.

b. If the proposed financing is approved, explain how Larue District #1 expects to maintain a debt service coverage ratio of 1.1 throughout the term of the KIA loan.

2. Refer to the Application, Exhibit 1, page 18 that states divergent treatment processes among the suppliers causes difficulties in managing adequate distribution and movement with the system.

a. Provide any records Larue District #1 has of issues related to its purchased water including but not limited to inadequate or untimely supply and quality issues.

b. Provide a list of all Division of Water Notice of Violations for the years 2022, 2023, 2024, 2025, 2026 to date, that relate to this issue and how mitigated; state what ongoing efforts are required and annual cost to mitigate purported issues.

3. Describe how Larue District #1 arrived at its decision to design a new water plant.

4. Provide a detailed analysis of the alternatives considered, including the costs and the benefits of each, that Larue District #1 evaluated to solve the purported issues.

5. Provide the following information related to the new water treatment facility:

a. State what water source Larue District #1 is considering using for the new water treatment plant.

b. State if any locations have been considered for the new water treatment plant.

c. State whether Larue District #1 has explored permits or if other permissions are required to build at these locations.

d. State how many operators Larue District #1 would plan to employ at the new water treatment plant.

6. Refer to Application, page 2, paragraph 4, that states the loan amount is \$1,692,500.

a. Refer also to the Application, Attachment B, which specifies the project budget amounts for Planning and Engineering Design/Construction as \$42,500 and \$1,650,000, respectively. Provide a breakdown of the Planning and Engineering Design/Construction budget amounts individually. In the response, explain how the planning and design costs were calculated.

b. State if Larue District #1 plans to bid the engineering design, or if it has already done so, and explain the bidding process.

7. Refer to the Application, page 2, that states the loan will be repaid over a period not to exceed 20 years. Refer also to the Application, Exhibit 1, that states the loan term is 5 years. Provide an explanation for the different amounts and state which term the loan will be repaid over. If the loan term is 20 years, provide an updated amortization schedule for the repayment of the loan.

8. Refer to the Application, page 1, that lists six total suppliers of water to Larue District #1. Refer also to the Application, Exhibit 1, that states Larue District #1 purchases from 8 wholesale suppliers. State the wholesale suppliers Larue District #1 currently purchases from and provide the following information individually for each:

a. State the gallon amount purchased from each supplier for the year 2025.

b. State whether Larue District #1 plans to continue purchasing from each supplier once the new water treatment facility is built.

c. State whether there is an ongoing contract with each supplier. If yes, provide a copy of the contract. If yes, and Larue District #1 no longer plans to purchase

from the supplier, provide an explanation of how Larue District #1 will fulfill its ongoing contract.

9. Refer to the Application, Exhibit 1, Brief Description. State if Larue District #1 has any plans to use the excess capacity at the treatment plant and what those plans are.

Service List for 2026-00173

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