

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF EAST CLARK	)	
COUNTY WATER DISTRICT FOR AN	)	CASE NO.
ALTERNATIVE RATE FILING ADJUSTMENT	)	2026-00205
PURSUANT TO 807 KAR 5:076	)	

ORDER

On July 28, 2026, East Clark County Water District (East Clark District) filed its application with the Commission requesting an adjustment to its water rates pursuant to 807 KAR 5:076. East Clark District filed this proceeding in compliance with the final Order in Case No. 2025-00261.¹ In that proceeding, East Clark District was ordered to file an application by July 31, 2026, for either a general rate adjustment pursuant to 807 KAR 5:001, Section 16, or for an alternative rate adjustment (ARF) pursuant to 807 KAR 5:076 to ensure its revenue is sufficient to support adequate and reliable service.

The Commission finds that a procedural schedule² should be established to ensure the orderly review of East Clark District's application. The procedural schedule is attached as Appendix A to this Order.

¹ See Case No. 2025-00261, *Electronic Application of East Clark County Water District for a Certificate of Public Convenience and Necessity and Financing of the Mt. Sterling Road and Ky 89 Water Line Replacement Project* (KY. PSC Nov. 3, 2025) Order at 13.

² No action is necessary to suspend the effective date of East Clark District'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.

In addition, East Clark District 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.

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, East Clark District shall file its responses to the Staff's request for information, attached to this Order as Appendix B.

3. East Clark District 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 East Clark District'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 East Clark District's financial condition supports a higher rate than East Clark District proposes or the assessment of an additional rate or charge not proposed in East Clark District's application, East Clark District 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 East Clark District accounts for the depreciation of East Clark District's assets, East Clark District in its response to the Staff Report shall also state its position in writing on whether the Commission should require East Clark District 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. 2020-00085³ regarding filings with the Commission.

³ 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).

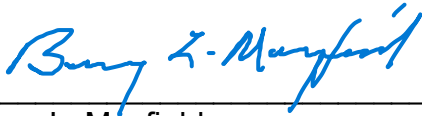
Entered on this 19th day of August, 2026.

PUBLIC SERVICE COMMISSION



Angie Hatton
Chair

Mary Pat Regan
Vice Chair

Andrew W. Wood
Commissioner

Barry L. Mayfield
Commissioner

ATTEST:



Justin McNeil
Executive Director

Case No. 2026-00205

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2026-00205 DATED AUG 19 2026

Requests for intervention shall be filed no later than 08/26/2026

All requests for information to East Clark District
shall be filed no later than 09/02/2026

East Clark District shall file responses to the attached requests
for information no later than 09/23/2026

All supplemental requests for information to
East Clark District shall be filed no later than 10/14/2026

East Clark District shall file responses to supplemental
requests for information no later than 10/28/2026

Commission Staff's Report shall be filed no later than..... 12/09/2026

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2026-00205 DATED AUG 19 2026

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO EAST CLARK COUNTY WATER DISTRICT

East Clark County Water District (East Clark District), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on September 23, 2026. The Commission directs East Clark District 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.

East Clark District shall make timely amendment to any prior response if East Clark District obtains information that indicates the response was incorrect or incomplete when

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

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

1. 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 each of the years ended December 31, 2025, and year to date July 31, 2026.

b. The trial balance in Excel spreadsheet format for each of the years ended December 31, 2025, and year-to-date July 31, 2026.

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

2. State whether East Clark District uses an integrated software program for billing and general-ledger functions. If yes, provide the following information for the integrated program. If no, provide the following information separately for each billing and general-ledger program:

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

3. Refer to Application, SAO and Attachment_12_ECCWD_Rate_Study, ExBA Tab. For Miscellaneous Service Revenues of \$43,012, state whether the Miscellaneous Income component of \$7,398.45 will recur.

4. Provide a complete description of each employee benefit, paid to or on behalf of each employee for the calendar year 2025. Supplemental coverage for which the employee pays 100 percent of the cost should also be included. Employee names should be redacted from all documents.

- a. Provide a copy of one invoice for 2025 for each employee benefit described above.
- b. Provide a copy of one invoice for 2026 for each employee benefit described above.

5. Provide most recent invoices for general liability, workers' compensation, automobile, property, and casualty for 2025, and 2026.

6. Refer to SAO – Purchased Water expenses.
 - a. Provide the gallons purchased and cost, by month for the entire year, for each supplier, and in total, for calendar year 2025.
 - b. Reconcile reported gallons purchased in the test year annual report water statistics and the purchased water expense reported in the test year.
7. Provide the minutes from East Clark District's Board of Commissioner meetings for the calendar years 2024, 2025, and 2026 to date. 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 employee compensation, including adjustments to wage rates, wage increases, bonuses, or any other compensation or fringe benefit actions.
8. Provide a list of each commissioner who served East Clark District during the calendar years 2024, 2025, and 2026 and state, individually, the total amount of each benefit paid to, or on the behalf of, each director during each year (i.e., wages, health insurance premiums, life insurance premiums, FICA taxes, etc.), their term (beginning and ending), and current authorized annual compensation.
 - a. Provide documentation from the Fiscal Court that authorizes each commissioner's appointment and compensation.
 - b. Provide training records for each commissioner for 2024, 2025, and 2026 or a statement that the individual has not attended training.
9. Provide the following with respect to 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.

10. Refer to East Clark District's Tariff, PSC Ky. No. 2, Original Sheet No. 18, Bill Adjustments.

a. Provide the date that East Clark District'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 that affect rates in this case.

11. State the last time East Clark District performed a cost of service study (COSS) to review the appropriateness of its current rates and rate design.

a. Explain whether East Clark District considered filing a COSS with the current rate application and the reasoning for not filing one.

b. Explain whether any material changes to East Clark District's 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 East Clark District's system, explain when East Clark District anticipates completing a new COSS.

d. Provide a copy of the most recent COSS that has been performed for East Clark District's system in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

12. Refer to the Application, SAO, and the Current Billing Analysis, Attachment_12_ECCWD_Rate_Study.xlsx, Tab ExBA, Cells P12 through R12.

a. Provide the number of occurrences for each nonrecurring charge in Other Water Revenues and for any non-recurring charge listed as zero, include that charge and indicate that no revenue was recorded. Include the general ledger account numbers where each nonrecurring charge is recorded.

b. State whether each nonrecurring charge will recur.

c. Provide the 6/11 source e-mail from the accountant employed by East Clark District.

d. Provide the number of occurrences and dollar amounts for late fees that were recorded during the calendar years 2025.

13. Provide updated cost justification sheets to support each non-recurring charge listed in East Clark District's tariff.

14. Provide updated cost justification sheets to support each Meter Connection/Tap-on Charge listed in East Clark District's tariff.

15. Refer to Application, Attachment_1_6_ECCWD_List_of_attachments.pdf, Attachment #4, Schedule of Adjusted Operations, Adjustment H and Reference H. The SAO reflects an annual rate case amortization expense of \$3,333, while Reference H reflects an annual amortization expense of \$3,112. Explain and reconcile the difference between the amortization of rate case expense in the SAO and in the References.

16. Refer to Application, SAO, Adjustment H. Provide the following information regarding the proposed rate case amortization expense.

a. State whether the amount is a fixed amount or what would cause the stated amount to increase or decrease, respectively.

b. Provide a copy of the quote for the preparation of the rate case.

c. Provide a copy of all invoices associated with Rate Case Expense.

Consider this an ongoing request.

d. Confirm that the anticipated rate case expense will be paid by East Clark District and not paid for by a third party, i.e. grant funding. If not confirmed, provide the source of funding, describe the agreement facilitating the third-party funding, and provide any preliminary and final written agreements reflecting the third-part funding.

17. Refer to Application, Attachment 7, Rate Study, Depreciation.

a. Provide a depreciation schedule, in Excel spreadsheet format, with all formulas, rows, and columns fully accessible and unprotected, with clearly labeled columns identifying, at a minimum, the asset description, original cost, in service (depreciation start) date, service life, depreciation method, beginning accumulated depreciation, current year depreciation expense, ending accumulated depreciation, and net book value for each asset.

b. Reconcile the total original cost and accumulated depreciation reported in the depreciation schedule to the corresponding plant cost and accumulated depreciation balances reported in the 2025 Annual Report. Identify and explain any differences.

18. Refer to Application, Attachment 4, Table A, and Attachment_7_2025_ECCWD_Rate_Study.xlsx, Sorted tab. Provide an explanation for the proposed fifteen-year service life for the water meters. Include in this explanation,

any engineering reports, testing reports, or technical specifications that support the proposed fifteen-year service life for each water meter model and brand.

19. Refer to Application, Attachment 5, Current Billing Analysis with 2025 Usage & Existing Rates. East Clark District stated that no customers are served by 3-inch and 4-inch meters. State whether East Clark District requests that the 3-inch and 4-inch meter rates be removed from its tariff or whether East Clark District expects to serve customers through those meter sizes in the foreseeable future.

20. State whether East Clark District granted any leak adjustments during the test year. If so, provide the total dollar amount and the number of occurrences for each leak adjustment recorded during the test year.

21. Refer to Application, Attachment 4, Table A, Depreciation Expense Adjustments and Attachment_7_2025_ECCWD_Rate_Study_depreciation, sorted tab. Attachment 7, line item 112, identifies "NAC HEAVY HIGHWAYS 11/27/7 (PUMP)", with an original cost of \$117,150 and current year depreciation expense of \$5,857.50. The original cost is not separately identifiable in Table A. Identify the asset class in Table A in which this asset is included and reconcile the \$117,150 original cost and related depreciation expense to the amounts presented in Table A.

Service List for Case 2026-00205

* Anita Castle

East Clark County Water District
118 Hopkins Lane
P. O. Box 112
Winchester, KY 40391

* Sam Reid

312 N. Jackson Street
Perryville, KY 40468

* William Ballard

General Manager
East Clark County Water District
118 Hopkins Lane
P. O. Box 112
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