

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED WATER	)	CASE NO.
ADJUSTMENT FILING OF CHRISTIAN COUNTY	)	2026-00263
WATER DISTRICT	)	

ORDER

On September 11, 2026, Christian County Water District (Christian District) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure set forth in KRS 278.015 and 807 KAR 5:068.

LEGAL STANDARD

In accordance with KRS 278.015, when a wholesale supplier selling water to a water district increases its rates, the water district has the authority to increase its rate commensurate with the wholesale supplier. The water district must file, within the statutory and regulatory deadlines, a copy of the notice from the wholesale supplier showing the increase in the wholesale rate, and a statement of the volume of purchased water used to calculate the rate adjustment. The Commission shall approve the filing by order after the above documents are filed.

DISCUSSION AND FINDINGS

Christian District purchases water from Hopkinsville Water Environment Authority (Hopkinsville), Barkley Lake Water District (Barkley Lake District) and Todd County Water District (Todd District).¹ Hopkinsville notified Christian District that Phase 2 of its

¹ Application, Purchased Water Adjustment Form at 1.

wholesale rate adjustment would increase rates by \$0.46 per 1,000 gallons, or 14.98 percent, from \$3.07 per 1,000 gallons to \$3.53 per 1,000 gallons effective October 1, 2026.² Christian District proposes to increase the water rates to its customers effective October 1, 2026, to reflect the increased cost of purchased water from Hopkinsville. Barkley Lake District and Todd District proposed no wholesale rate changes.³

Unaccounted-for Water Loss

Commission regulation 807 KAR 5:066, Section 6(3), states that for ratemaking purposes a utility's unaccounted-for water loss shall not exceed 15 percent of the total water produced and purchased, excluding water consumed by a utility in its own operations. In its 2023 Annual Report filed with the Commission, Christian District reported a water loss of 12.8706 percent.⁴ In its 2024 Annual Report filed with the Commission, Christian District reported a water loss of 16.8617 percent.⁵ In its 2025 Annual Report filed with the Commission, Christian District reported a water loss of 16.5509 percent.⁶ Christian District's three-year water loss average is 15.4278 percent.⁷

² TFS2025-00385 (Ky. PSC August 28, 2025); Hopkinsville submitted the tariff on August 28, 2025, and the tariff was accepted for filing by the Commission by letter dated September 18, 2025, with an effective date of October 1, 2025.

³ Application, Purchased Water Adjustment Form at 1.

⁴ *Annual Report of Christian District to the Public Service Commission for the Year Ended December 31, 2023* at 59.

⁵ *Annual Report of Christian District to the Public Service Commission for the Year Ended December 31, 2024* at 59 (unpublished as of the date of this Order).

⁶ *Annual Report of Christian District to the Public Service Commission for the Year Ended December 31, 2025* at 59.

⁷ $12.8706\% + 16.8617\% + 16.5509\% = 46.2835 / 3 \text{ years} = 15.4278 \text{ percent.}$

The approximate cost of Christian District's total water loss using a three-year average is \$260,938.71.⁸

The Commission is placing greater emphasis on monitoring utilities that consistently exceed the 15 percent unaccounted-for water loss threshold. The Commission encourages Christian District to continue to pursue reasonable actions to reduce its unaccounted-for water loss.

Financial Condition and Rates

Christian District's financial snapshot for 2021 through 2025 is presented below. Based on a review of Commission records, Christian District last sought a base rate adjustment in Case No. 2021-00369 (2020 test year), which became final on March 17, 2022, and reflected a required revenue increase of \$189,995 or 5.08 percent.⁹ Christian District's other rate increase during the review period was due to a purchased water adjustment in Case 2025-00309.¹⁰ Rate based income (adjusted net income minus principal payments) was negative from 2021 through 2025. Cash basis income (rate-based income plus depreciation) was positive from 2021 through 2025.

In Case No. 2025-00309, Christian District was ordered to file an application for a general rate adjustment pursuant to 807 KAR 5:001, Section 16, an application for an alternative rate adjustment pursuant to 807 KAR 5:076, or, in the alternative, a formal motion with a detailed analysis of its rates and revenues explaining the reasons why no

⁸ Total water cost at new wholesale rate of \$1,691,353.96 times 15.4278% water loss equals \$260,938.71.

⁹ Case No. 2021-00369, *Electronic Application of Christian County Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Mar. 17, 2022), final Order at 13.

¹⁰ See Case No. 2025-00309, *Electronic Purchased Water Adjustment Filing of Christian County Water District* (Ky. PSC Oct. 15, 2025).

modifications are necessary.¹¹ On July 30, 2026, Christian District filed a Formal Motion requesting no modification in its rates, which is currently in process.¹²

2021-00369 ARF FO 03/17/2022					
Description / Year	Audited 2021	Audited 2022	Audited 2023	Audited 2024	Audited 2025
<i>Adjusted Net Income</i>					
Net Income / (Loss)	\$ (54,690)	\$ (115,383)	\$ 560,286	\$ 507,746	\$ 506,561
Other Non-recurring Items ()	53,446	378,635	3,188	83,180	(59,521)
Non-Cash Pension and OPEB Expense / (Income)	110,733	31,869	(168,406)	(236,920)	(155,420)
Interest Expense	288,993	213,850	233,853	230,630	207,986
Adjusted Net Income / (Loss)	398,482	508,971	628,921	584,636	499,606
Interest Expense ()	(288,993)	(213,850)	(233,853)	(230,630)	(207,986)
Principal Payments ()	(414,000)	(330,000)	(449,000)	(480,500)	(492,000)
Subtract: Total Debt Service ()	(702,993)	(543,850)	(682,853)	(711,130)	(699,986)
Rate-Based Income (Excludes Working Capital of 20%)	(304,511)	(34,879)	(53,932)	(126,494)	(200,380)
Add: Depreciation Expense	586,905	594,238	653,638	664,546	717,751
Cash Basis Income	\$ 282,394	\$ 559,359	\$ 599,706	\$ 538,052	\$ 517,371
Rate Based Income as Percent of Water Sales	-8%	-1%	-1%	-3%	-5%
Cash Basis Income as Percent of Depreciation	48%	94%	92%	81%	72%
Capital Spending	\$ 162,837	\$ 123,156	\$ 552,974	\$ 579,501	\$ 1,548,735
<i>Cash and Investments</i>					
Unrestricted Cash and Investments	\$ 478,530	\$ 780,766	\$ 1,170,004	\$ 1,412,083	\$ 1,823,975
Restricted Funds	3,784,591	3,632,129	3,358,898	3,633,983	3,403,493
Adjusted Cash Balances	\$ 4,263,121	\$ 4,412,895	\$ 4,528,902	\$ 5,046,066	\$ 5,227,468
Net Increase (Decrease) in Cash	\$ (26,476)	\$ 149,774	\$ 116,007	\$ 517,164	\$ 181,402
<i>Selected Statistical Information (PSC Annual Reports)</i>					
Customer Count	6,045	6,321	6,433	6,454	6,158
Gallons Purchased	524,296	544,125	498,126	532,741	534,761
Gallons Sold	392,015	409,884	423,884	431,110	430,582
Gallons Used for Internal Use	41,912	45,457	10,130	11,802	15,671
Water Loss Gallons	90,369	88,784	64,112	88,829	88,508
System Use Percentage	7.9940%	8.3541%	2.0336%	2.2153%	2.9305%
Water Loss Percentage	17.2363%	16.3168%	12.8706%	16.6740%	16.5509%
Gallons Sold Per Customer Per Month	5,404	5,404	5,491	5,566	5,827
Revenues from the Sale of Water	\$ 3,757,371	\$ 3,923,107	\$ 4,084,607	\$ 4,146,735	\$ 4,282,968
Purchased Water Expense	1,312,756	1,340,534	1,285,214	1,219,615	1,298,138
Purchased Water Expense Over 15% Water Loss	29,357	17,653	0	20,416	20,133
Water Loss Expense Over 15% as Percentage of Water Revenue	0.78%	0.45%	0.00%	0.49%	0.47%

¹¹ Case No. 2025-00309, Oct. 15, 2025 final Order at 7.

¹² See Case No. 2026-00210, *Electronic Application for a Formal Motion Finding that No Modification of Present Rates is Necessary* (filed July 30, 2026).

Purchased Water Adjustment Factor

In its application, Christian District proposed a purchased water adjustment factor of \$0.52 per 1,000 gallons.¹³ During the 12 months ended July 31, 2026, Christian District purchased 436,358,025 gallons of water from Hopkinsville, 51,863,800 gallons of water from Barkley Lake District and 1,569,300 gallons of water from Todd District and sold 388,748,773 gallons of water to its customers.¹⁴ The increase in the cost of purchased water from Hopkinsville is \$200,724.69, resulting in a purchased water adjustment factor of \$0.52 per 1,000 gallons. No rate changes occurred from Barkley Lake District or Todd District.

The purchased water adjustment factor of \$0.52 per 1,000 gallons, as calculated in Appendix A and the rates as set forth in Appendix B to this Order are fair, just and reasonable and should be approved for water service rendered by Christian District on and after October 1, 2026, because the rates are supported by evidence of the increase in rates from Christian District's wholesale water supplier and the volume of purchased water used to calculate the rates in accordance with KRS 278.015.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.5163 per 1,000 gallons is approved.
2. The rates proposed by Christian District are approved.

¹³ Application, Purchased Water Adjustment Form at 2.

¹⁴ Application, Exhibit B.

3. The rates as set forth in Appendix B to this Order are approved for water service rendered by Christian District on and after October 1, 2026.

4. Within 20 days of the date of service of this Order, Christian District shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

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

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Entered on this 9th day of October, 2026.

PUBLIC SERVICE COMMISSION



Angie Hatton
Chair



Mary Pat Regan
Vice Chair



Andrew W. Wood
Commissioner



Barry L. Mayfield
Commissioner

by AH
w/ permission

ATTEST:



Justin McNeil
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2026-00263 DATED OCT 09 2026

	Base Rate	New Rate	Change
<u>Hopkinsville</u>			
Purchases in Gallons	436,358,025	436,358,025	
Rate per 1,000 Gallons	<u>\$3.07/1,000</u>	<u>\$3.53/1,000</u>	
Subtotal	\$1,339,619.14	\$1,540,343.83	\$200,724.69
<u>Barkley Lake District</u>			
Purchases in Gallons	51,863,800	51,863,800	
Rate per 1,000 Gallons	<u>\$2.81/1,000</u>	<u>\$2.81/1,000</u>	
Subtotal	\$145,737.28	\$145,737.28	no change
<u>Todd District</u>			
Purchases in Gallons	1,569,300	1,569,300	
Rate per 1,000 Gallons	<u>\$3.36/1,000</u>	<u>\$3.36/1,000</u>	
Subtotal	\$5,272.85	\$5,272.85	no change
Total	\$1,490,629.26	\$1,691,353.95	
Increased water cost			\$200,724.69
Increased water cost		\$200,724.69	
Divided by Gallons sold/1,000		<u>388,748,773</u>	
Purchased water adjustment factor		\$0.5163	per 1,000 Gallons
		or \$ 0.00052	per Gallon

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2026-00263 DATED OCT 09 2026

The following rates and charges are prescribed for the customers in the area served by Christian County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8 X 3/4-Inch Meter

First	0 Gallons	\$20.65	Minimum Bill
Over	0 Gallons	0.00801	Per Gallon

1-Inch Meter

First	5,000 Gallons	\$61.02	Minimum Bill
Over	5,000 Gallons	0.00801	Per Gallon

1 1/2-Inch Meter

First	10,000 Gallons	\$101.09	Minimum Bill
Over	10,000 Gallons	0.00801	Per Gallon

2-Inch Meter

First	50,000 Gallons	\$421.58	Minimum Bill
Over	50,000 Gallons	0.00801	Per Gallon

2-Inch Meter

First	100,000 Gallons	\$822.19	Minimum Bill
Over	100,000 Gallons	0.00801	Per Gallon

Service List for Case 2026-00263

* Christian County Water District
1940 Dawson Springs Road
P. O. Box 7
Hopkinsville, KY 42241-0007

* Heath Howell
Christian County Water District
1940 Dawson Springs Road
P. O. Box 7
Hopkinsville, KY 42241-0007

* Jason Pennell
Kentucky Rural Water Association
Post Office Box 1424
1151 Old Porter Pike
Bowling Green, KY 42102-1424