

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| ELECTRONIC APPLICATION OF THE |) | |
| MCCREARY COUNTY WATER DISTRICT TO |) | |
| ISSUE SECURITIES IN THE APPROXIMATE |) | |
| PRINCIPAL AMOUNT OF \$1,702,000 FOR THE |) | |
| PURPOSE OF REFUNDING CERTAIN |) | CASE NO. |
| OUTSTANDING OBLIGATIONS OF THE |) | 2020-00151 |
| DISTRICT AND REFINANCING OF A SHORT |) | |
| TERM OBLIGATION PURSUANT TO THE |) | |
| PROVISIONS OF KRS 278.300 AND 807 KAR |) | |
| 5:001 |) | |

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| ELECTRONIC APPLICATION OF MCCREARY |) | |
| COUNTY WATER DISTRICT FOR A |) | |
| CERTIFICATE OF PUBLIC CONVENIENCE |) | |
| AND NECESSITY TO CONSTRUCT A SYSTEM |) | CASE NO. |
| IMPROVEMENTS PROJECT AND AN ORDER |) | 2021-00021 |
| APPROVING A CHANGE IN RATES AND |) | |
| AUTHORIZING THE ISSUANCE OF |) | |
| SECURITIES PURSUANT TO KRS 278.023 |) | |

ORDER

By Order dated June 26, 2020, in Case No. 2020-00151, the Commission directed McCreary County Water District (McCreary District) to file an application for an adjustment of its base rates through an alternative rate filing (ARF) within one year of the date of entry of the Order. The Commission repeated this directive in the February 22, 2021 Order in Case No. 2021-00021. Additionally, in Case No. 2020-00399,¹ the Commission

¹ Case No. 2020-00399, *Electronic Application of McCreary County Water District for Authorization to Execute an Assistance Agreement with the Kentucky Infrastructure Authority and for a Certificate of Public Convenience and Necessity to Construct the Sanitary Sewer Collection System Expansion Phase 1 Project* (Ky. PSC Mar. 11, 2021) Order at 4.

found that pursuant to the June 26, 2020 Order in Case No. 2020-00151, McCreary District should file for a general rate adjustment including financial data for both its water and sewer divisions by June 25, 2021. On June 18, 2021, McCreary District filed a motion for 60-day extension of time, which the Commission granted on July 22, 2021. McCreary District has now moved for an additional 30-day extension of time in which to submit applications for rate adjustments for its water and sewer operations.

The Commission notes that McCreary District stated in its first request for an extension that, “No further requests for extensions will be made.”² However, McCreary District contends in its second request for an extension of time that its original estimate that an additional 60 days would be sufficient to complete its applications was overly optimistic as it underestimated the time required to prepare two complete applications that would comply with Commission regulations. McCreary District states that the applications have proven more difficult to prepare due to such factors as a post-test period rate adjustment of McCreary District’s water rates, the post-test period completion of several waterworks improvement projects, and the effects of COVID-19 on test period operations. In addition, the water district states that the allocation of costs between McCreary District’s water and sewer operations have added to the applications’ complexity and require more preparatory work than originally anticipated.

McCreary District further states that problems with its billing software have delayed the preparation of the required billing analyses. McCreary District states that water district personnel have been required to manually review and compile the billing summaries for several customer classes to obtain an accurate summary of test period customer usage.

² Motion for Extension of Time to File Applications for Rate Adjustment (filed June 18 2021) at 3.

McCreary District states that its audit report was not completed and available for review until late July.

The Commission finds that the requested additional 30-day extension of time is reasonable for the following reasons. First, McCreary District requests an extension of 30 days, which is a comparatively short delay from the initial deadline. Next, an alternative rate case filing for both water and sewer involves a greater degree of complexity than an alternative rate filing (ARF) for only water or only sewer. Finally, McCreary District was required to file both a water and sewer ARF in a recent Order in Case No. 2020-00399³ by June 25, 2021, which gave McCreary District only three and a half months to prepare and file the ARF case.

Based upon the motion and being otherwise sufficiently advised, the Commission finds that McCreary District established good cause and that its motion should be granted.

IT IS THEREFORE ORDERED that McCreary District is granted an extension of time until September 24, 2021, to submit its applications for a rate adjustment. No further motions for extensions of time shall be granted in this proceeding.

³ Case No. 2020-00399, *McCreary County Water District* (Ky. PSC Mar. 11, 2021).

By the Commission



ATTEST:


Executive Director

Case No. 2020-00151
Case No. 2021-00021

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