

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BREATHITT)	
COUNTY WATER DISTRICT FOR THE)	
ISSUANCE OF A CERTIFICATE OF PUBLIC)	CASE NO.
CONVENIENCE AND NECESSITY TO)	2020-00218
CONSTRUCT A WATER IMPROVEMENTS)	
PROJECT PURSUANT TO THE PROVISIONS)	
OF KRS 278.020 AND 807 KAR 5:001)	

ORDER

In its November 5, 2020 final Order, the Commission ordered Breathitt County Water District (Breathitt District) to file an application for a traditional adjustment in rates or an alternative rate adjustment (ARF) within one year of the date of the Order to ensure its financial situation is sufficient. On October 27, 2021, Breathitt District filed a motion for an extension of time in which to file for an adjustment in its base rates or an ARF. Breathitt District requested an extension of five months through April 5, 2022.

In support of its motion Breathitt District states that the work on a base rate adjustment has begun but cannot be completed within the deadline given by the Commission. Also, in its cover letter to its motion for extension of time Breathitt District states that the delay in filing an application for a traditional adjustment in rates or an ARF is due to, “delays with the Covid pandemic,” but did not provide any additional information.

The Commission finds that the motion for extension of time should be denied as Breathitt District should have begun preparing its application sooner and it is presently in

need of a rate increase per the updated financial analysis below.¹ The Commission further finds that Breathitt District failed to state with specificity the basis for the request, and this motion for extension of time should be denied for failure to establish good cause.

The Commission finds Breathitt District in violation of the Commission’s November 5, 2020 final Order. The Commission finds that Breathitt District should file an application for a traditional adjustment in rates or an ARF as soon as possible. Failure to do so may result in the Commission assessing sanctions to Breathitt District.

Finding that the motion should be denied, IT IS THEREFORE ORDERED that:

1. Breathitt District is denied an extension of time through April 5, 2022, to submit an application for a traditional adjustment in rates or an ARF.
2. Breathitt District shall file an application for a traditional adjustment in rates or an ARF as soon as possible. Failure to do so may result in the Commission assessing sanctions to Breathitt District.

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Year	2015	2016	2017	2018	2019	2020
Net Income	\$ (889,121)	\$ (881,928)	\$ (876,004)	\$ (1,114,683)	\$ (1,021,447)	\$ (1,052,079)
Less: Annual Principal Payment	(18,518)	(86,750)	(87,433)	(88,877)	(89,703)	(84,036)
Add: Depreciation Expense	970,085	994,419	1,036,967	1,117,746	1,118,657	1,115,021
Cash Working Capital	<u>\$ 62,446</u>	<u>\$ 25,741</u>	<u>\$ 73,530</u>	<u>\$ (85,814)</u>	<u>\$ 7,507</u>	<u>\$ (21,094)</u>
Year	2015	2016	2017	2018	2019	2020
Cash and Cash Equivalents	\$ 183,296		\$ 254,035	\$ 49,517	\$ 57,737	\$ 73,616
Cash and Cash Equivalents - Restricted	183,296	197,115	254,035	212,068	248,827	280,214
Net Increase (Decrease) in Cash	(183,496)		56,920	(41,967)	36,759	31,387

By the Commission

ENTERED
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KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2020-00218

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