

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|   |   |            |
|---|---|------------|
| ELECTRONIC APPLICATION OF GREEN         | ) |            |
| RIVER VALLEY WATER DISTRICT TO ISSUE    | ) |            |
| SECURITIES IN THE APPROXIMATE           | ) |            |
| PRINCIPAL AMOUNT OF \$5,325,000 FOR THE | ) | CASE NO.   |
| PURPOSE OF REFUNDING CERTAIN            | ) | 2019-00458 |
| OUTSTANDING OBLIGATIONS OF THE          | ) |            |
| DISTRICT PURSUANT TO THE PROVISIONS     | ) |            |
| OF KRS 278.300 AND 807 KAR 5:001        | ) |            |

ORDER

On April 16, 2021, Green River Valley Water District (Green River Valley District) filed a motion requesting an extension of time until May 31, 2022, to file an application for a rate adjustment. In an Order entered March 10, 2020, in this proceeding, the Commission required, among other things, that Green River Valley District file a rate adjustment case within one year of the March 10, 2020 Order because Green River had not filed a rate case since 2010, and thus the Commission lacked insight into Green River's financial records and condition.

As a basis for its motion requesting an extension, Green River Valley District asserts that allowing the utility to file a rate adjustment case on or before May 31, 2022, will allow Green River Valley District to include costs related to new water system improvements, including increased operation and maintenance (O&M), depreciation, and debt service expenses related to \$11,625,000 in infrastructure improvements previously

approved by the Commission.<sup>1</sup> Green River Valley District states that the infrastructure improvements will be completed in September 2021. Green River Valley District further states that it will issue \$8,062,000 revenue bonds, approved by the Commission contemporaneously with the infrastructure project, upon substantial completion of the infrastructure project. Green River Valley District asserts that if it applies for a rate increase based upon a test period ending December 31, 2020, then the expenses associated with the infrastructure project will not be reflected in the test period. Green River Valley District contends that, if it is required to file a rate adjustment case in 2021, then it would have to file a second application in 2022 to ensure that rates are sufficient to recover the costs related to the infrastructure project and revenue bonds.

Based upon a review of the motion, and being otherwise sufficiently advised, the Commission finds that Green River Valley District established good cause to extend the period to file a general rate adjustment from March 10, 2021, to May 31, 2022, due to the potential financial impact of expenses arising from the infrastructure project and revenue bonds. In its 2019 Annual Report, Green River Valley District reported \$21,467,691 net plant. Given the cost and size of the infrastructure improvement projects and Green River Valley District's current net plant, the Commission concurs that Green River Valley District would have to file a general rate adjustment once the infrastructure projects were completed and the revenue bonds issued. Under these facts, the Commission concludes that allowing Green River Valley District to defer filing a general rate adjustment case until

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<sup>1</sup> Case No. 2019-00287, *Electronic Application of Green River Valley Water District Pursuant to KRS 278.023 and 807 KAR 5:069 for (1) a Certificate of Public Convenience and Necessity to Expand Its Water Treatment Plant and Related Waterworks Improvements; (2) an Adjustment of Its Rates for Water Services; and (3) Authorization to Issue Certain Securities* (Ky. PSC Sept. 27, 2019).

May 31, 2022, would be consistent with the Commission's rationale for requiring that a rate case be filed and would provide the Commission with the most accurate portrayal of Green River Valley District's financial records and condition.

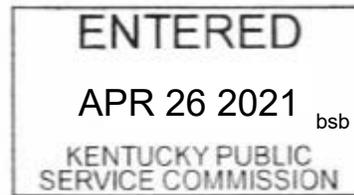
IT IS THEREFORE ORDERED that:

1. Green River Valley District's motion for an extension of time to file a general rate adjustment case is granted.

2. Green River Valley District shall file for an adjustment in base rates or file for an alternative rate filing on or before May 31, 2022.

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By the Commission



ATTEST:

  
Executive Director

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