

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MOUNTAIN)	
WATER DISTRICT TO ISSUE SECURITIES IN)	
THE APPROXIMATE PRINCIPAL AMOUNT OF)	
\$5,930,000 FOR THE PURPOSE OF)	CASE NO.
REFINANCING CERTAIN OUTSTANDING)	2021-00412
OBLIGATIONS OF THE DISTRICT PURSUANT TO)	
THE PROVISIONS OF KRS 278.300 AND 807 KAR)	
5:001)	

ORDER

On December 5, 2022, Mountain Water District (Mountain District) moved for an extension of time until January 27, 2023, to submit its application for an adjustment in base rates in accordance with a December 13, 2021 Order in this proceeding.¹ Under the terms of that Order, Mountain District is required to apply for rate adjustments of its water and sewer rates no later than December 28, 2022.

The Commission ordered Mountain District to file a rate case because Mountain District had not applied for an adjustment of rates pursuant to KRS 278.180 since 2014. Mountain District has experienced a level of unaccounted-for water loss well in excess of the standard set forth in 807 KAR 5:066(3) for the previous five years. And Mountain District has been consistently operating with negative net income over the last five years.

¹ Order (Ky. PSC Dec. 13, 2021) at 9.

In support of its motion, Mountain District stated that it has retained a professional engineer to prepare rate studies, including a cost of service study, for both of its operating divisions.² Mountain District explained that the work on the applications is near completion but that one additional study is necessary before the final rates can be determined and the applications completed. Mountain District stated that this additional study is expected to be completed no later than December 31, 2022.³

Mountain District maintained that work on each application (water and sewer divisions) could not begin until completion and submission to the Commission of Mountain District's annual reports for calendar year 2021. Mountain District asserted that preparation of the application for Mountain District's water division required more time and effort because that application must be filed using the procedures set forth in 807 KAR 5:001, Section 16, for a general rate application which are more complex and require the production of significantly more documentary evidence and financial information than an application using the Alternative Rate Filing Procedure (ARF) set forth in 807 KAR 5:076.⁴ Mountain District stated that its application will also include a detailed proposal for a surcharge to support its water loss control efforts.⁵

Lastly, Mountain District asserted that the requested extension is necessary for Mountain District to complete its applications, obtain the review and approval of its

² Motion for Extension of Time to File Applications for Rate Adjustment (Motion for Extension of Time) (filed Dec. 5, 2022), at 2.

³ Motion for Extension of Time at 2.

⁴ Motion for Extension of Time at 2.

⁵ Motion for Extension of Time at 2.

governing board of any actions arising from the applications, and publish the required notice of the filing of the applications.⁶

The Commission finds that Mountain District established good cause and therefore Mountain District's motion for an extension of time to file its rate case application should be granted. This is because Mountain District requested a brief extension to complete and file its application, as well as specific details that underly the need for the brief extension of time. The Commission further finds that Mountain District should have until January 27, 2023, to submit its applications.

IT IS THEREFORE ORDERED that:

1. Mountain District's motion for an extension of time to file its general rate adjustment applications for its water and sewer divisions is granted.
2. Mountain District shall file its general rate adjustment applications on or before January 27, 2023.

⁶ Motion for Extension of Time at 3.

PUBLIC SERVICE COMMISSION



Chairman

Vice Chairman



Commissioner



ATTEST:



Executive Director

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