

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SANDY HOOK	)	CASE NO.
WATER DISTRICT FOR A RATE ADJUSTMENT	)	2024-00196
PURSUANT TO 807 KAR 5:076	)	

ORDER

On February 22, 2023, Sandy Hook Water District (Sandy Hook District) was ordered to apply for a rate adjustment by June 30, 2024, or to file a formal motion with a detailed analysis of its rates and revenues explaining the reasons why no modifications are necessary.<sup>1</sup> On June 17, 2024, Sandy Hook District filed a notice of intent with an expected filing date of June 30, 2024.<sup>2</sup>

On June 30, 2024, Sandy Hook District filed a request for a three-month extension of time in which to file its rate adjustment stating that Sandy Hook District's auditor was delayed in completing its audit.<sup>3</sup> Sandy Hook District stated it did not receive a final version of the audit until May 13, 2024. Sandy Hook District also stated it acquired services from Rural Community Assistance Partnerships (RCAP) to complete the rate study and that RCAP was delayed by the late audit and annual report filing. Sandy Hook

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<sup>1</sup> See Case No. 2022-00206, *Electronic Application of Sandy Hook Water District for a Certificate of Public Convenience and Necessity to Construct a System Improvements Project and an Order Approving an Increase in Rates and Authorizing the Issuance of Securities Pursuant To KRS 278.023* (Ky. PSC Feb. 22, 2023), Order at 3, ordering paragraph 1.

<sup>2</sup> Sandy Hook District's Notice of Intent to File an Application for a Rate Adjustment Pursuant to 807 KAR 5:076 Using Electronic Filing Procedures (filed June 17, 2024), at 2.

<sup>3</sup> Sandy Hook District's Request for an Extension of Time (filed June 30, 2024).

District stated RCAP could complete the rate study and would prepare the rate application within the requested three-month extension period.

The Commission notes that in its February 22, 2023, Order in Case No. 2022-00206, the Order initially requiring Sandy Hook District to file its rate adjustment, the Commission stated the following:

The Commission strongly advises Sandy Hook District to take whatever steps are necessary to file its annual report by the regulatory deadline of March 31, 2024. The Commission will not look favorably upon any motion for an extension of time to file an application for an adjustment in Sandy Hook District's rates that is based on its failure to timely file its annual report with the Commission.<sup>4</sup>

Sandy Hook District filed a request for an extension to file its 2023 Annual Report on April 17, 2024, which was granted until May 31, 2024. Sandy Hook District submitted its 2023 Annual Report on April 30, 2024. Although Sandy Hook District referenced its delayed Audit Report as a partial basis for the request, the Commission emphasizes that an Audit Report is not the basis for the application using 807 KAR 5:076, nor is it listed as evidence required in the record.<sup>5</sup> Commission regulation 807 KAR 5:076, Section 3(1), requires the most recent annual report as well as the two preceding years of annual reports be part of the administrative record, and Sandy Hook District's 2021, 2022, and 2023 Annual Reports are currently on file with the Commission.

The Commission also notes that Sandy Hook District filed a notice of intent with an expected filing date of June 30, 2024, and then, two weeks later, filed the extension request. Sandy Hook District should have known that it could not meet the deadline, and

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<sup>4</sup> See Case No. 2022-00206, Feb. 22, 2023 Order at 2.

<sup>5</sup> 807 KAR 5:076, Section 3 and Section 4.

the Commission questions why it did not file an extension request as soon as it knew it could not meet the required filing date.

Having considered the request for an extension, the Commission does not find Sandy Hook District's arguments for a three-month extension in which to file for a rate adjustment compelling and, as such, the request is denied. Sandy Hook District was aware of the timing requirements in which to file for a rate adjustment. Sandy Hook District should file its alternative rate adjustment application pursuant to 807 KAR 5:076 immediately.

IT IS THEREFORE ORDERED that:

1. Sandy Hook District's June 30, 2024 request for an extension is denied.
2. Sandy Hook District shall immediately file an application for an alternative rate adjustment pursuant to 807 KAR 5:076.

PUBLIC SERVICE COMMISSION

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Chairman

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Vice Chairman

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Commissioner



ATTEST:

  
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Executive Director

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