

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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|---|---|------------|
| ELECTRONIC APPLICATION OF MCKINNEY |) | |
| WATER DISTRICT FOR THE ISSUANCE OF A |) | |
| CERTIFICATE OF PUBLIC CONVENIENCE AND |) | |
| NECESSITY TO CONSTRUCT A WATER |) | CASE NO. |
| SYSTEM IMPROVEMENTS PROJECT AND AN |) | 2025-00022 |
| ORDER AUTHORIZING THE ISSUANCE OF |) | |
| SECURITIES PURSUANT TO THE PROVISIONS |) | |
| OF KRS 278.020, KRS 278.300 AND 807 KAR |) | |
| 5:001 |) | |

ORDER

On February 13, 2025, McKinney Water District (McKinney District) filed an application,¹ pursuant to KRS 278.020, KRS 278.300, and 807 KAR 5:001 requesting a Certificate of Public Convenience and Necessity (CPCN) to construct a two-phase water system improvements project; and for approval of its plan to finance the proposed project through a combination of grants, loans, and local funding

KRS 278.300(2) provides that the Commission must adjudicate an application for authority to issue an evidence of indebtedness within 60 days of the date that the application was filed. KRS 278.300(2) also provides that the Commission can continue its review of the application for longer than 60 days upon a showing of good cause.

¹ McKinney District tendered an application on February 6, 2025, that was rejected for filing due to certain deficiencies. On February 13, 2025, McKinney District filed documents that cured the filing deficiencies, and the application was deemed filed as of February 13, 2025.

Based upon a review of the application, as well as the public comment submitted by Stanford Water Works,² the Commission finds that an investigation is necessary to determine the reasonable necessity and appropriateness of the request. As further investigation is necessary, the Commission finds that good cause exists to continue the application beyond the 60-day period specified in KRS 278.300(2) so that the Commission can conduct a thorough review of the proposed transaction. As the investigation cannot be completed by April 5, 2025, the procedural schedule³ should be amended to allow for Commission Staff to issue additional requests for information.

IT IS THEREFORE ORDERED that:


1. McKinney District's application for approval of the proposed evidence of indebtedness and CPCN is continued beyond the 60-day period specified in KRS 278.300(2).
2. On or before the date April 9, 2025, McKinney District shall file its responses to the Commission Staff's request for information, attached as an Appendix to this Order.
3. McKinney District shall respond to all requests for information propounded by Commission Staff, whether identified in this procedural schedule, or otherwise, as provided in those.
4. All other provisions of the Commission's February 21, 2025 Order that are not in conflict with the terms of this Order shall remain in effect.

² A public comment was submitted by Stanford Water Works on March 13, 2025.

³ Order (Ky. PSC Feb. 21, 2025).

PUBLIC SERVICE COMMISSION

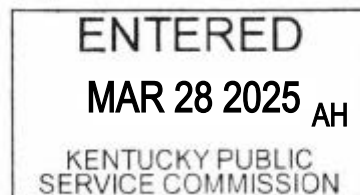

Chairman


Commissioner


Commissioner

ATTEST:


Executive Director



Case No. 2025-00022

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2025-00022 DATED MAR 28 2025

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO MCKINNEY WATER DISTRICT

McKinney Water District (McKinney District), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on April 9, 2025. The Commission directs McKinney District to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

McKinney District shall make timely amendment to any prior response if McKinney District obtains information that indicates the response was incorrect or incomplete when

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which McKinney District fails or refuses to furnish all or part of the requested information, McKinney District shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, McKinney District shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Stanford Water Works Public Comment,² pages 2-3.
 - a. Explain the scope of McKinney District engagement with Water Solutions Unlimited, Inc. (WSU).
 - b. Explain why McKinney District did not use the product ORA-CLE to clean its distribution system.
 - c. Explain what recommendations WSU made to McKinney District and what, if any, recommendations McKinney District implemented.
 - d. Explain why McKinney District is listing one of the reasons for the project as water quality issues in light of Stanford Water Works asserted efforts to improve

² Stanford Water Works Public Comment (filed Mar. 13, 2025).

its water quality. In this explanation, include what issues McKinney District is presently seeing in terms of water quality.

2. Refer to Stanford Water Works Public Comment, page 3, regarding the water line project. Confirm that the 1,330-foot water line replacement is complete, if not complete provide a detailed update of the project's status. If confirmed, explain whether this project has improved any water supply or water quality issues with Stanford Water Works. If no water supply or water quality issues with Stanford Water Works have improved, provide McKinney District's position as to why to improvement have been achieved.

3. Refer to Stanford Water Works Public Comment, page 3, with regards to McKinney's Districts high disinfection byproducts. Explain why McKinney District's system tests high in disinfection byproducts when Stanford Water Works's system does not.

4. Explain how the project will alleviate any issues within McKinney District's own system.

5. Refer to Stanford Water Works Public Comment, page 4, specifically "McKinney Water District does not need a connection with Danville to obtain clean water for its customers." Provide a response to this comment.

6. Refer to Stanford Water Works Public Comment, page 4, regarding the issues during Winter Storm Elliott.

a. Explain whether McKinney District is aware of any efforts Stanford Water Works has made to winterize its equipment or make weather-based improvements as a result of Winter Storm Elliott.

b. Explain whether the Nates Creek Meter area had high water loss during December 2022.

c. Provide all other instances of water shortage issues with Stanford Water Works since December 2022. In this response, provide the reason for the shortage issues.

7. Refer to Stanford Water Works Public Comment, generally.

a. Explain why the water provided from Stanford Water Works does not meet the needs of McKinney District and its customers.

b. Explain why Phase 1A of the project will not result in wasteful duplication, specifically regarding the supply of water from Stanford Water Works.

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