

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC INVESTIGATION INTO)
EXCESSIVE WATER LOSS BY KENTUCKY’S) **Case No. 2019-00041**
JURISDICTIONAL WATER UTILITIES)

WEST CARROLL WATER DISTRICT’S MOTION FOR EXTENSION OF TIME

Comes now West Carroll Water District (“West Carroll”), by and through the undersigned counsel, and requests an extension of time to file the documents requested in the Commission’s November 22, 2019 Order. As grounds for this motion West Carroll respectfully states as follows:

The Commission’s Order required certain information to be filed within six months from the date of the Order. Specifically, this information includes the following:

- Plans to improve the operations and financial health of the utility;
- New policies and procedures to address water loss and better business practices, including but not limited to a water loss reduction plan, a leak detection plan and improved employee policies and procedures;
- Revised leak adjustment policy; and
- Written report on the merger discussion status.

Exhibit K to the Commission’s Order stated that West Carroll should undertake discussions with Carrollton Utilities regarding a merger or consolidation. On March 3, 2020 West Carroll filed a Motion requesting and extension of time until September 22, 2020 to comply with the Commission’s November 22, 2019 Order. Just a few weeks after that Motion was filed, Governor Beshear declared a state of emergency for the state of Kentucky and many offices and businesses

were closed. This put a halt on any discussions between West Carroll and Carrollton Utilities regarding a merger or a consolidation.

Now that some of the restrictions are beginning to be lifted, West Carroll and Carrollton Utilities have begun to restart the merger discussions. However, due to the unforeseen circumstances surrounding COVID-19, these discussions will not be finalized prior to the December 22, 2020 deadline. West Carroll still believes that its time over the next few months would be well spent having further merger discussions with Carrollton Utilities and other necessary entities negotiating the details of such merger or consolidation.

To date there have been numerous discussions with West Carroll board members, Commissioners, the mayor, city council members and county judge. There have also been two joint meetings of West Carroll and Carrollton Utilities' boards and a meeting involving the mayor, the new Department of Local Government Commissioner Keene, the Executive Director of Kentucky Infrastructure Authority, Edith Halbleib and Representative Rick Rand to discuss any potential loan forgiveness or available grant money to monetarily assist in a merger or consolidation of West Carroll and Carrollton Utilities. Carrollton Utilities held a strategic planning meeting on October 30, 2020 where it was decided to proceed with the merger of Carrollton Utilities and West Carroll despite there being no loan forgiveness forthcoming. Carrollton Utilities relayed that information to West Carroll's counsel and that information was discussed on November 19, 2020 at West Carroll's board meeting. The Carroll County Judge Executive was present at the board meeting and discussed issues that he would like addressed during any negotiations with Carrollton. West Carroll's board decided that negotiations could formally begin with Carrollton Utilities. The next board meeting for West Carroll is set for December 17, 2020. Research is currently being conducted to determine the role the fiscal court will need to have in

any merger discussions due to a concern of the Carroll County Judge Executive. Simultaneous with the research being conducted, an Agreement and Plan of Merger is being drafted to be discussed and possibly voted on by the West Carroll board at its December 17, 2020 board meeting. West Carroll's counsel and Carrollton Utilities' counsel will be working on the Agreement with their respective clients.

The documents required to be filed by West Carroll pursuant to the Commission's Order are very time consuming to develop. Furthermore, if the merger negotiations are successful and West Carroll and Carrollton Utilities consolidate, West Carroll customers would then be under the policy and procedures of Carrollton Utilities. Having West Carroll go through the time and expense of developing these documents when they may change again if the merger discussions are successful would seem to create some customer confusion as to the policies and procedures in place if a merger were to occur in the near future. West Carroll proposes the requested extension in order to continue merger discussions and should have a much better idea of the merger discussions over the next several months if a merger will occur.

Therefore, West Carroll would request an additional four-month extension to April 22, 2021 to provide the documentation ordered by the Commission. West Carroll will continue to file the monthly updates it has been filing since April 2020 with the Commission regarding the merger discussions.

Respectfully submitted,

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CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, this is to certify that the electronically filed documents (including this "Read1st" letter and its enclosures) are true and accurate copies of the same documents being filed in paper medium; that the electronic filing has been transmitted to the Commission on December 1, 2020 that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means; and that the original versions of the documents transmitted electronically will be filed with the Commission in paper medium within two business days from the date of the electronic filing.

L. Allyson Honaker

Counsel for West Carroll Water District