

**COMMONWEALTH OF KENTUCKY**

**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**ELECTRONIC APPLICATION OF THE )  
BUTLER COUNTY WATER SYSTEM, )  
INC. TO ISSUE SECURITIES IN THE )  
APPROXIMATE PRINCIPAL AMOUNT )  
OF \$840,000 FOR THE PURPOSE OF ) CASE NO. 2021-00016  
REFUNDING CERTAIN OUTSTANDING )  
OBLIGATIONS OF THE ASSOCIATION )  
PURSUANT TO THE PROVISIONS OF )  
KRS 278.300 AND 807 KAR 5:001 )**

**MOTION FOR EXTENSION OF TIME**

Butler County Water System, Inc. (“Butler County Water”), by counsel, moves the Kentucky Public Service Commission (the “Commission”) for a **ten (10) day** extension of time, until **March 22, 2024**, to file Butler County Water’s application for a general adjustment of its water rates. In support of this Motion, Butler County Water states as follows:

1. On March 12, 2021, in Case No. 2021-00016, the Commission ordered Butler County Water to file an application for a rate adjustment on or before March 12, 2024. Warren County Water District’s employees, who manage Butler County Water,<sup>1</sup> are in the process of preparing an application for a rate adjustment for Butler

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<sup>1</sup> Warren County Water District also manages, operates, and maintains its own Water Division and Sewer Division, and the Simpson County Water District.

County Water, with the assistance of the Kentucky Rural Water Association (“KRWA”), utilizing the Alternative Rate Filing (“ARF”) procedures.

2. Butler County Water initially contacted KRWA on September 1, 2023 to request assistance in preparing and filing an ARF application. As part of that process, Butler County Water requested that KRWA perform a Rate Study, using calendar year 2022 as a Test Year. KRWA responded to Butler County Water’s request with a Proposal, which is attached as **Exhibit A**. Butler County Water accepted the Proposal on September 8, 2023, with assurance that the Rate Study would be completed in a timely fashion so that Butler County Water could submit its ARF application to the Commission no later than March 12, 2024.

3. Butler County Water received a draft Rate Study from KRWA a few days prior to the filing of this Motion.

4. To the surprise of the Butler County Water Board of Directors,<sup>2</sup> KRWA’s draft Rate Study resulted in a recommendation of an approximate thirty-four percent (34%) increase to Butler County Water’s rates. The Board of Directors became concerned that such a sizable rate increase would result in rate shock for its customers.

5. Accordingly, Butler County Water asked KRWA to promptly provide an alternative rate structure implementation plan that would phase in rates in two

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<sup>2</sup> Butler County Water is a water association governed by a Board of Directors.

phases. The Board of Directors scheduled a special meeting for March 8, 2024 to review the revised version of the draft Rate Study, decide on the most appropriate rate structure, and adopt a Resolution authorizing the filing of the ARF application.

6. Because the initial deadline for filing the ARF application is quickly approaching, Butler County Water is unsure whether KRWA will be able to prepare the ARF application and all the necessary schedules by March 12, 2024. In addition, Butler County Water cannot prepare a Customer Notice to be published in *The Butler County Banner* newspaper until its Board of Directors decides on the rate structure (i.e., a single rate increase of approximately thirty-four percent (34%) or a phased in rate increase in two phases).

7. *The Butler County Banner* is published weekly on Wednesdays, but the deadline for submitting legal notices such as a Customer Notice is on Friday afternoon of the prior week. Butler County Water has already informed the newspaper that it plans to submit the Customer Notice on Friday afternoon, March 8, 2024, following its Board meeting. Unfortunately, the deadline for filing the ARF application with the Commission falls on Tuesday, March 12, 2024. Since the ARF application cannot be filed until the Customer Notice has been published, the earliest possible date for filing the ARF Application is Wednesday, March 13, 2024—one day after the deadline contained in the Commission’s March 12, 2021 Order.

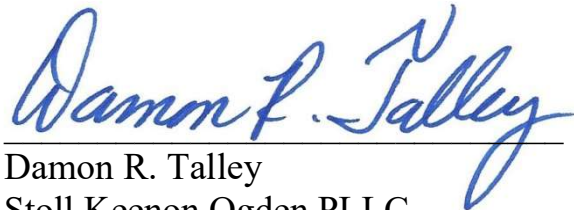
8. Butler County Water intends to file its ARF application as soon as possible, which will be no later than ten days from the initial deadline.

9. This request is made in good faith, not for purposes of delay, and will not unduly prejudice the Commission.

Wherefore, Butler County Water System, Inc. requests that the Commission's Order of March 12, 2021 be amended to grant Butler County Water an extension of time until March 22, 2024 to file its application to adjust its water rates.

Dated: March 7, 2024

Respectfully submitted,



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*Counsel for Butler County Water System,  
Inc.*

## CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that this document was submitted electronically to the Public Service Commission on March 7, 2024, and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding.

  
Damon R. Talley

# **Exhibit A**

## **KRWA Proposal**



## Proposed Rate Study

Butler County Water District

Prepared by: **Kentucky Rural Water Association**  
**September 2023**

Kentucky Rural Water Association (KRWA) will perform a water rate study for Butler County Water District using methodologies acceptable to Kentucky Public Service Commission (KY PSC) upon approval of this proposal.

### Scope of Work

This work will include completing the following items:

- ✓ Preparation of Schedule of Adjusted Operations, Revenue Requirement Calculations, Proposed Rate Schedules, and Billing Analyses.
- ✓ Preparation of a written summary report.
- ✓ Attendance at one meeting with Board of Commissioners for presentation of report.
- ✓ Submission of Alternative Rate Filing Application to KY PSC.
- ✓ Coordination and submission of responses to KY PSC Staff Requests for Information.
- ✓ Preparation of response to KY PSC Staff Report.
- ✓ Preparation of updated Tariff sheets.

This proposal does not include attendance at public hearings and other meetings.

### Qualifications

The rate study will be performed by an experienced contractor selected by KRWA.

### Estimated Start and Completion Times

The rate study will begin within approximately 30 days of acceptance of this proposal, with submission of an ARF application to KY PSC not later than March 12, 2024. Completion time is determined by KY PSC but is typically within 180 days following ARF application.

### Proposed Cost

**Total \$8,250**

Accepted by: \_\_\_\_\_

Date: \_\_\_\_\_

9/8/23