### **COMMONWEALTH OF KENTUCKY**

### **BEFORE THE PUBLIC SERVICE COMMISSION**

### In the Matter of:

ELECTRONIC APPLICATION OF THE MCCREARY COUNTY WATER DISTRICT TO ISSUE SECURITIES IN THE APPROXIMATE PRINCIPAL AMOUNT OF \$1,702,000 FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING OBLIGATIONS OF THE DISTRICT AND REFINANCING OF A SHORT-TERM OBLIGATION PURSUANT TO THE PROVISIONS OF KRS 278.300 AND 807 KAR 5:001	) ) ) ) ) (CASE NO. 2020-00151 ) ) )
ELECTRONIC APPLICATION OF MCCREARY COUNTY WATER DISTRICT FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT A SYSTEM IMPROVEMENTS PROJECT AND AN ORDER APPROVING A CHANGE IN RATES AND AUTHORIZING THE ISSUANCE OF SECURITIES PURSUANT TO KRS 278.023	) ) ) ) CASE NO. 2021-00021 ) ) )

# MOTION FOR AN ADDITIONAL EXTENSION OF TIME TO FILE APPLICATIONS FOR RATE ADJUSTMENT

Pursuant to 807 KAR 5:001, Section 5, McCreary County Water District ("McCreary

District") moves for an additional 30-day extension of time in which to submit applications for

rate adjustment for its water and sewer operations.

In support of its Motion, McCreary District states:

1. In the above-referenced cases, the Commission directed McCreary District to file

applications for rate adjustments pursuant to KRS 278.180 no later than June 25, 2021. On

June 18, 2021, McCreary District requested an additional 60 days to prepare the application. The Commission granted this request on July 22, 2021.

2. McCreary District's original estimate that an additional 60 days would be sufficient to complete its applications was overly optimistic. While McCreary District has worked diligently to prepare its applications, it underestimated the time required to prepare two complete applications that would comply with Commission regulations. As the Commission noted in its Order of June 24, 2020, McCreary District has not applied for an adjustment of rates pursuant to KRS 278.180 in more than forty years. As a result, McCreary District lacks the familiarity and experience with the Commission's ratemaking processes and application filing requirements that other water utilities possess. Moreover, unlike other water utilities, McCreary District must simultaneously prepare two rate applications. These applications have proven more difficult to prepare due to such factors as a post-test period rate adjustment of McCreary District's water rates, the post-test period completion of several waterworks improvement projects, and the effects of COVID-19 on test period operations. In addition, the allocation of costs between McCreary District's water and sewer operations have added to the applications' complexity and require more preparatory work than originally anticipated.

3. McCreary District's efforts have also been hampered by unanticipated events. Problems with McCreary District's billing software have delayed the preparation of required billing analyses. District personnel have been required to manually review and compile the billing summaries for several customer classes to obtain an accurate summary of test period customer usage. McCreary District's audit report, which is an essential and necessary tool in the preparation of any rate application, was not completed and available for review until late July.

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4. McCreary District's goal is to submit applications that comply with Commission filing requirements, provide a clear, thorough and accurate picture of McCreary District's financial condition and operations to the Commission, and allow the Commission to perform a comprehensive review of McCreary District's financial stability and operational viability in the most efficient and cost-effective manner. To achieve that goal, McCreary District requires an additional 30 days.

5. The requested extension is necessary for McCreary District to complete its applications, obtain review and approval of its governing board of any actions arising from the applications and publish the required notice of the filing of the applications.

6. This motion is made in good faith and not for purposes of delay.

WHEREFORE, McCreary District respectfully requests that the Commission extend the time in which McCreary District has to file its applications for rate adjustment until September 24, 2021.

Dated: August 17, 2021

Respectfully submitted,

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Gerald E. Wuetcher Stoll Keenon Ogden PLLC 300 West Vine St. Suite 2100 Lexington, Kentucky 40507-1801 Telephone: (859) 231-3017 Fax: (859) 259-3517 gerald.wuetcher@skofirm.com

Counsel for McCreary County Water District

# **CERTIFICATE OF SERVICE**

In accordance with 807 KAR 5:001, Section 8, I certify that this document was transmitted to the Public Service Commission on August 17, 2021; and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in these proceedings.

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Gerald E. Wuetcher