

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| APPLICATION OF CALDWELL COUNTY WATER |) | |
| DISTRICT TO EXTEND DEADLINE FOR FILING OF |) | CASE NO. |
| RATE ADJUSTMENT REQUIRED IN CASE NO. |) | 2021-00217 |
| 2019-00444 |) | |

APPLICATION

Comes Caldwell County Water District (“Caldwell District”), by and through counsel, and for its application to extend the deadline to file a proceeding before the Commission for an adjustment to its general rates required by order in Case No. 2019-00444¹ (the “Princeton Case”), states and avers as follows:

I. INTRODUCTION

1. Caldwell District is a water district organized in 1966 pursuant to KRS Chapter 74 that owns and operates a water distribution system through which it provides water service to approximately 2,076 retail customers in Caldwell, Crittenden, and Lyon counties, Kentucky.²
2. In the Princeton Case the Commission adjudicated the merits of a wholesale rate request made by Princeton Water and Wastewater seeking to increase the wholesale water rates it charged to Caldwell District and Lyon County Water District (“Lyon District”).
3. As part of its June 15, 2020 Final Order, the Commission directed both Caldwell District and Lyon District to file either traditional rate adjustment or alternative rate adjustment

¹ *In the Matter of: Electronic Proposed Adjustment of the Wholesale Water Service Rates of Princeton Water and Wastewater*, Case No. 2019-00444, Order, June 15, 2020.

² *Annual Report, Caldwell County Water District to the Public Service Commission for the Calendar Year Ended December 31, 2019*, at 49. Caldwell District has 2,065 residential customers and 11 commercial customers, and its total operating revenues for the period were \$1,368,440. At the time of the Annual Report’s filing, Caldwell District only had four employees, at 13. However, it now has five employees.

cases within one year “to ensure their respective financial situations are sufficient to combat excessive water loss.”³ The deadline for Caldwell District to file the required rate case is June 15, 2021.

II. FACTS AND REQUEST FOR RELIEF

4. For the remainder of 2020 following the Princeton Case, and during the first four months of 2021, Caldwell District has been beset by chronic employee illness and multiple quarantine events involving all five of its employees resulting from the COVID-19 virus pandemic. In fact, Jimmy Littlefield, Caldwell District’s Chief Executive Officer, has been ill with the COVID-19 virus on two separate occasions since the completion of the Princeton Case. Combined, Mr. Littlefield and the other Caldwell District employees have missed several weeks of work which has created an extremely challenging situation for the District resulting in substandard operational continuity and leaving it behind in some aspects of routine operations and maintenance activities.

5. Although Caldwell District has almost caught up with these activities and things are returning to normal management has been unable to focus attention to the retention of expert assistance to prepare a cost of service study necessary to meet the Commission’s one-year deadline required in the Princeton Case.

6. Caldwell District has recently spoken to the Kentucky Rural Water Association requesting assistance with performing a cost of service study upon which to base a rate adjustment case. Caldwell District has learned that it would be sometime during the third quarter of 2021 before a cost of service study could commence and be completed due to several other water utilities requiring similar cost of service studies to support their own rate adjustment

³ Case No. 2019-00444, Order, June 15, 2020, at 39; ordering paragraph 5, at 41.

requests.

7. Because of the unfortunate confluence of illness and workload on the part of Caldwell District's employees and rate consultant, it would be at least the fourth quarter of 2021 before Caldwell District could be ready to file the required rate adjustment.

8. Due to the above matters being beyond the control of Caldwell District it respectively applies to the Commission for relief from the June 15, 2020 Order in the Princeton Case and order that the District have until February 28, 2022, within which to file the required rate adjustment case.

9. No harm to Caldwell District's financial condition or prejudice to its customers would result from a postponement of the rate case filing for several months to allow Caldwell District to complete work catch-up and to allow for the completion of a thorough cost of service study.

WHEREFORE, Caldwell County Water District respectfully requests that the Commission enter appropriate orders providing the following relief:

1. Set aside the requirement contained in Case No. 2019-00444 requiring Caldwell District to file a proceeding seeking a general adjustment of rates before the Commission by June 15, 2021, and ordering that Caldwell District would have until February 28, 2022, to file the required rate adjustment case.

2. All other due and proper relief to which Caldwell District is entitled.

This 24th of May, 2021.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read 'Mark David Goss', written in a cursive style.

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