

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>ELECTRONIC APPLICATION OF</b>	)	
<b>MOUNTAIN WATER DISTRICT TO ISSUE</b>	)	
<b>SECURITIES IN THE APPROXIMATE</b>	)	
<b>PRINCIPAL AMOUNT OF \$5,930,000 FOR</b>	)	
<b>THE PURPOSE OF REFINANCING CERTAIN</b>	)	<b>CASE NO. 2021-00412</b>
<b>OUTSTANDING OBLIGATIONS OF THE</b>	)	
<b>DISTRICT PURSUANT TO THE PROVISIONS</b>	)	
<b>OF KRS 278.300 AND 807</b>	)	
<b>KAR 5:001</b>	)	

**MOTION FOR AN EXTENSION OF TIME TO FILE**  
**APPLICATIONS FOR RATE ADJUSTMENT**

Pursuant to 807 KAR 5:001, Section 5, Mountain Water District (“Mountain District”) moves for a 30-day extension of time to comply with the Public Service Commission’s (“Commission”) Order of December 13, 2021 to file its applications for adjustment of its rates for water and sewer service.

In support of its Motion, Mountain District states:

1. On December 13, 2021, the Commission authorized Mountain District to enter an assistance agreement with Kentucky Rural Water Finance Corporation to borrow \$5,930,000 to refund and refinance five outstanding debt obligations.

2. In its Order of December 13, 2021, the Commission stated several concerns regarding Mountain District’s financial condition. It noted that Mountain District had not applied for an adjustment of rates pursuant to KRS 278.180 since 2014; that Mountain District had experienced a level of unaccounted-for water loss well in excess of the standard set forth in 807 KAR 5:066(3) for the previous five years; and that Mountain District had “been consistently operating with negative net income over the last five years.” Order at 5. Citing these concerns, the

Commission directed Mountain District to apply for a general adjustment of its base rates by December 28, 2022 “to ensure its rates are sufficient.” *Id.* at 9

3. Mountain District interprets the Commission’s Order as requiring an application for rate adjustment be filed for each of its operating divisions.

4. Mountain District has worked diligently to prepare its applications for rate adjustment within the time period specified in the Order of December 13, 2021 but requires an additional 30 days to complete and file its applications. It has retained a professional engineer to prepare rate studies, including a cost of service study, for both of its operating divisions. Work on the applications is near completion but one additional study is necessary before the final rates can be determined and the applications completed. This additional study is expected to be completed no later than December 31, 2022.

5. Given Mountain District’s circumstances, the requested extension of time is not unreasonable. Unlike other utilities required to submit a rate application, Mountain District operates two divisions and, therefore, must submit **two applications** for rate adjustment to address the sufficiency of its rates for service. Work on each application could not begin until completion and submission of Mountain District’s annual reports for calendar year 2021. Moreover, preparation of the application for Mountain District’s water division has required more time and effort as that application must be filed using the procedures set forth in 807 KAR 5:001, Section 16, which are more complex and require the production of significantly more documentary evidence and financial information than an application using the Alternative Rate Filing Procedure set forth in 807 KAR 5:076.<sup>1</sup> Unlike most other water utilities, Mountain District’s application will also include a detailed proposal for a surcharge to support its water loss control efforts.

---

<sup>1</sup> In its annual reports for the year ending December 31, 2021, Mountain District reported annual operating revenues of \$8,506,727 for its water division and \$2,056,229 for its sewer division. A utility may use the alternative rate filing

6. Granting the extension of time will enable Mountain District to submit complete and comprehensive applications for each of its divisions and will ensure that the Commission and its Staff have the necessary information to efficiently and thoroughly conduct its review.

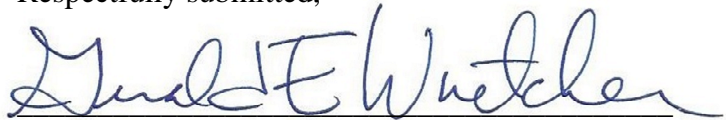
7. The requested extension is necessary for Mountain District to complete its applications, obtain the review and approval of its governing board of any actions arising from the applications and publish the required notice of the filing of the applications.<sup>2</sup>

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

**WHEREFORE,** Mountain Water District respectfully requests that it be granted an extension of time to file its applications for rate adjustment on or before January 27, 2023.

Dated: December 5, 2022

Respectfully submitted,



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 Mountain Water District*

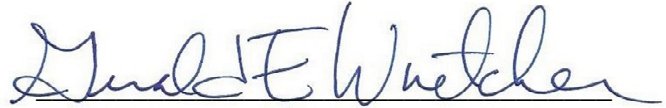
---

procedure set forth in 807 KAR 5:076 to apply for an adjustment of rates only if the division for which an adjustment is sought had gross annual revenue in the immediate past calendar year of \$5,000,000 or less. 807 KAR 5:076, Section 2(1).

<sup>2</sup> 807 KAR 5:001, Section 16(2) requires a utility to “notify the commission in writing of its intent to file a rate application at least thirty (30) days, but not more than sixty (60) days, prior to filing its application.” Mountain District filed its original notice of intent to file its application for an adjustment of its water rates on October 31, 2022 in Case No. 2022-00366. It will file a revised notice of intent in that proceeding to reflect its intent to file its application with the Commission no later than January 27, 2023.

**CERTIFICATE OF SERVICE**

In accordance with 807 KAR 5:001, Section 8, and the Commission's Order of July 22, 2021 in Case No. 2020-00085, I certify that this document was submitted electronically to the Public Service Commission on December 5, 2022, and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding

A handwritten signature in blue ink, reading "Gerald E. Wuetcher", written over a horizontal line.

Gerald E. Wuetcher