

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED WATER)
ADJUSTMENT OF NORTH NELSON) CASE NO. 2022-00146
WATER DISTRICT)

MOTION FOR EXTENSION OF TIME

North Nelson Water District (“North Nelson District”), by Counsel, moves the Public Service Commission (the “Commission”) for a 90-day extension of time, until **September 24, 2024**, in which to apply for a rate adjustment.

In support of its Motion, North Nelson District states as follows:

Background

1. In its Final Order in this matter on June 24, 2022, the Commission granted North Nelson District’s application for a Purchased Water Adjustment but ordered North Nelson District to apply for a rate adjustment within one year or “file a formal motion with a detailed analysis of its rates and revenues explaining the reasons why no modifications are necessary.”¹

2. On June 23, 2023, North Nelson District filed a motion for an extension of time in which to apply for a rate adjustment along with a detailed analysis of its

¹ Order of June 24, 2022 at 6.

revenues and expenses reflecting positive cash flow and increased water sales. North Nelson District explained that it anticipated a rate adjustment would be necessary in 2024 but was not then necessary. North Nelson District provided reasons it expected its 2023 revenues and expenses to be more representative of North Nelson District's general operations than 2022 revenue and expenses and stated that it was working with Kentucky Rural Water Association ("KRWA") to prepare a Rate Analysis and assist with a rate adjustment application upon completion of North Nelson District's Annual Report to the Commission for the calendar year 2023. North Nelson District requested an extension of time until June 24, 2024, to file an application for an adjustment in rates.

3. On July 31, 2023, the Commission entered an Order in this proceeding finding good cause to grant North Nelson District's motion and extending the deadline to file an application for a rate adjustment to June 24, 2024.

Request for a 90-Day Extension

4. As shown in the **Attachment** to this motion, North Nelson District contracted with KRWA on September 18, 2023 to perform a rate study and assist with the application for a rate adjustment. KRWA has completed the Billing Analysis, but further work on the application was not possible until North Nelson District's auditor completed the 2023 Annual Report to the Commission.

5. North Nelson District's auditor completed the 2023 Annual Report on May 29, 2024. It was submitted to the Commission that same day and a copy is attached to this motion as **Exhibit 1**.

6. North Nelson District has provided the 2023 Annual Report and its 2023 Audit Report to the KRWA rate consultant who has been working on North Nelson District's Rate Study. Earlier this week, the rate consultant informed North Nelson District that because of existing deadlines in other rate cases, he cannot immediately resume work on North Nelson District's Rate Study. He has committed, however, that he will complete the Rate Study and prepare the Alternative Rate Filing ("ARF") Application by no later than September 24, 2024, which is approximately 90 days from the existing deadline of June 24, 2024. Barring unforeseen circumstances, he believes that he will be able to have the Rate Study and the ARF Application completed within 75 days. In an abundance of caution and to avoid the need to request a further extension of time should unforeseen circumstances arise; North Nelson District requests an extension of 90 days in which to file its ARF Application.

7. This request is made in good faith and not for purposes of delay.

Wherefore, North Nelson District requests that that the Commission enter an Order granting North Nelson District an extension of time until September 24, 2024

to apply to the Commission pursuant to KRS 278.180 and 807 KAR 5:076 for an adjustment of rates.

Dated: June 7, 2024

Respectfully submitted,



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CERTIFICATE OF SERVICE

In accordance with the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on June 7, 2024; and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.


Damon R. Talley

Attachment



Proposed Rate Study

North Nelson Water District

Prepared by: Kentucky Rural Water Association

August 2023

Kentucky Rural Water Association (KRWA) will perform a cost-of-service retail and wholesale water rate study for North Nelson 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.
- ✓ Attendance at one meeting with wholesale customer(s).
- ✓ 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 North Nelson Water District submitting its 2023 Annual Report. Completion time is determined by KY PSC but is typically within 270 days following project initiation.

Proposed Cost

Total \$11,250

Accepted by: _____

Date: _____

9-18-23