COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MARTIN COUNTY WATER DISTRICT TO ENTER INTO A LEASE FOR SERVICE TRUCKS	))	CASE NO. 2025-00249

MOTION OF MARTIN COUNTY WATER DISTRICT FOR EXTENSION OF TIME

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Comes the Martin County Water District [hereinafter "District"], by counsel, and respectfully submits this Motion for extension of time to respond to ***Commission Staff's Second Request for Information to Martin County Water District*** which was attached as an Appendix to the Commission's Order of October 27, 2026. The ***Second Request*** specifies that the District's responses are due on November 17, 2026. For the reasons stated below, the District respectfully requests an additional 45 days from November 17 in which to respond:

Position of Martin County Water District

The Second Request relates to ***Martin County Water District's Motion in Support of No Rate Modification***. The primary basis for the extension of time to respond is the timing of the District's anticipated Kentucky WWATERS funding. The District's original filing identified approximately $3.29 million in approved funding designated for debt retirement. The receipt and application of those funds are directly relevant to several of the Commission Staff's questions, including the identification of debt to be retired with grant funds, the calculation of remaining debt service, the District's revenue requirement

under both the debt-coverage and operating-ratio methods, and whether the Debt Service Surcharge will continue to be necessary after the grant funds are applied.

Responding before the timing and application of the debt-retirement funds are sufficiently established could require the District to rely on assumptions that may change shortly after the response is filed. It could also result in debt schedules, revenue-requirement calculations, and surcharge recommendations that do not accurately reflect the District's anticipated financial condition. **Because the Order requires the District to amend any response that later becomes materially incorrect or incomplete, allowing additional time now could avoid unnecessary supplemental filings and provide the Commission with a more accurate and useful record.**

The ***Second Request*** requires significantly more than the production of existing records. Among other things, the District must:

- Prepare the PSC ARF Form RR-DC debt-coverage methodology in an accessible Excel format;
- Prepare a Schedule of Adjusted Operations using the District's audited 2025 financial statements;
- Calculate all known and measurable adjustments to the 2025 test year;
- Separate and explain the use of Debt Service Surcharge and Management/Infrastructure Charge revenues;
- Prepare revenue-requirement calculations under both the debt-coverage and operating-ratio methods;
- Reconcile the District's debts as of December 31, 2025, subsequent changes, and obligations expected to be retired with approved grant funds;
- Evaluate whether the Debt Service Surcharge should remain in the tariff and, if so, estimate how long it should continue;
- Analyze the amount owed to Alliance as of September 30, 2026, by aging category and expense component;
- Determine whether the Management/Infrastructure Charge is sufficient and calculate any monthly shortfall; and
- Develop estimated completion dates, operating expenses, depreciation, and water-loss effects for six capital projects totaling approximately $11.264 million.

Several of these items require information to be collected and reconciled across audited financial statements, debt schedules, grant documentation, tariff accounts, Alliance records, project budgets, engineering information, and the District's agreement with Prestonsburg Utilities. The requested forms must also be provided in Excel with formulas, rows, and columns accessible and unprotected. In addition, each response must identify the responsible witness and be supported by a signed certification that the information is true and accurate following a reasonable inquiry.

The District is also evaluating whether to engage an outside utility rate or financial consultant to assist with the adjusted-operations schedule, the two revenue-requirement methodologies, the treatment of the grant-funded debt retirement, and the surcharge evaluations. Additional time would allow the District to determine whether that assistance is necessary and, if retained, allow the consultant sufficient time to review the underlying financial records and prepare calculations that are consistent with the Commission's forms and methodology.

The District is not seeking the extension for purposes of delay. The District is actively working on the responses, and the requested additional time would be used to:

1. Gather and reconcile the underlying financial and debt documentation;
2. Confirm the status, timing, and intended application of the WWATERS debt-retirement funds;
3. Update the debt schedules to reflect the obligations expected to remain after the grant funds are applied;
4. Prepare and review the required Excel schedules and revenue-requirement calculations;
5. Evaluate the continued need and appropriate duration of the Debt Service Surcharge;
6. Complete the Alliance balance aging and expense-category reconciliation;
7. Coordinate with project and engineering personnel regarding the six identified capital projects; and
8. Allow the responsible witnesses and preparers to conduct the reasonable inquiry required before certifying the responses.

A 45-day extension would provide a reasonable period for completing this work. It would promote administrative efficiency by reducing the likelihood that the District will need to amend or supplement material portions of its response after the debt-retirement funds are received or after more complete information becomes available. While the District could provide current financial information, those figures may not accurately reflect the District's financial standing by January 1, particularly for the purpose of evaluating rate adjustments. Given the likelihood of these substantial financial changes, the District believe additional time is warranted to ensure the Commission has the most accurate and representative financial information when evaluating the District's position and any related rate considerations

WHEREFORE, for the foregoing reasons, Martin County Water District respectfully requests an additional 45 days from November 17 in which to respond to ***Commission Staff's Second Request for Information to Martin County Water District*** which was attached as an Appendix to the Commission's Order of October 27, 2026.

Respectfully submitted,

KINKEAD & STILZ, PLLC

/s/ Dustin C. Haley
Dustin C. Haley
1505 Carter Avenue,
P.O. Box 2008
Ashland, KY 41105-2008
dhaley@ksattorneys.com
Telephone (606) 329-1919
COUNSEL FOR MARTIN COUNTY WATER DISTRICT

CERTIFICATE OF SERVICE

This will certify that a true and correct copy of the foregoing was served via electronic filing on this the 6th day of November, 2026, to the following:

Public Service Commission
P.O. Box 615
Frankfort, KY 40602

Hon. Mary Varson Cromer
Appalachian Citizens' Law Center, Inc.
317 Main Street
Whitesburg, KY 41858

/s/ Dustin C. Haley
Dustin C. Haley