

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MARTIN COUNTY)
WATER DISTRICT FOR ALTERNATIVE RATE) CASE NO.
ADJUSTMENT) 2018-00017

ORDER

On January 16, 2018, Martin County Water District (“Martin County”) filed its application for an Alternative Rate Adjustment (“Application”) pursuant to 807 KAR 5:076. Martin County proposed to increase its current water service rates by approximately 49.6 percent.¹

In a letter tendered with the Application, Martin County requested an expedited review and that, due to the district’s “dire financial situation,” an “emergency rate” be approved while the Commission completes its review of Martin County’s rate application.² The Commission’s past practice has been to expedite the processing of cases filed under the ARF regulations. These cases are normally completed within approximately 17 weeks, if the water district’s records and application are complete, and if an effective date for rates is not proposed.

The Commission finds that, pursuant to KRS 278.190, a hearing and investigation will be necessary in order to determine the reasonableness of the proposed rates.

¹ Application, Attachment 1.

² *Id.*, Cover letter (filed Jan. 16, 2018).

KRS 278.190 further provides that the Commission may increase rates, after a hearing, if it finds that the water district's credit or operations will be materially impaired or damaged by the failure to permit said rates to become effective.

For the Commission to consider granting Martin County's request for emergency rates, Martin County must demonstrate the need for such interim rate relief. The Commission therefore finds that a formal hearing should be held to consider Martin County's request. Representatives of Martin County's Board of Commissioners, including its Chair, Treasurer and accountant, should appear at a formal hearing on January 26, 2018, at the Commission's offices.

The Commission is aware of Martin County's financial and operational challenges and, therefore, takes administrative notice of evidence of Martin County's financial status that has been entered into the record of Case No. 2016-00142,³ an ongoing investigation of the operating capacity of Martin County pursuant to KRS 278.280. To expedite this matter, the Commission finds that the record in Case No. 2016-00142 should be incorporated by reference into the case record of this proceeding.

Additionally, 807 KAR 5:076, Section 17 provides that, upon showing of good cause, the Commission may permit deviations from its administrative regulations. The Commission finds that Martin County should make a good faith effort to give notice of the hearing to the public, including publication by means of posting on a website or social media account. The emergency nature of Martin County's request for interim rates is

³ Case No. 2016-00142, *Investigation of the Operating Capacity of Martin County Water District Pursuant to KRS 278.280* (Ky. PSC Apr. 11, 2016).

good cause to deviate from the publication frequency requirements of 807 KAR 5:076, Section 12(3) and 807 KAR 5:001, Section 9(2)(b).

IT IS THEREFORE ORDERED that:

1. Martin County, including its Chair and Treasurer of its Board of Commissioners, and accountant, shall appear at a formal hearing scheduled for January 26, 2018 at 9:30 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.

2. Martin County shall give notice of the hearing by any means available to it in the intervening time, including posting on its webpage or social media account. In addition, the notice of hearing shall include the following statement: "This hearing will be streamed live and may be viewed on the PSC website, psc.ky.gov." At the time the notice is mailed, publication is requested, or is posted on a website or social media platform, Martin County shall forward a duplicate of the notice, request, or posting to the Commission.

3. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), a digital video transcript shall be made of the hearing.

4. The record of Commission Case No. 2016-00142 is incorporated into the record of this proceeding by reference.

By the Commission

ENTERED
JAN 22 2018
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director
for Gwen Piggott

Case No. 2018-00017

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