

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

On December 7, 2018, the Martin County Water District (Martin District) filed a motion for clarification of the Commission’s Order dated November 5, 2018, as well as a motion for revised schedule of implementation of the terms in the November 5, 2018 Order. After considering the motion, the Commission determined that a hearing on the record was necessary to address the issues raised by Martin District in its motion and such hearing was held at the offices of the Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky on December 20, 2018, at 9 a.m. Eastern Standard Time. Upon testimony by Jimmy Don Kerr and Gregory Heitzman and review of the record, the Commission finds that the schedule should be revised.

IT IS THEREFORE ORDERED that:

1. As set out in Commission’s Order of November 5, 2018, Martin District shall submit to the Commission for consideration and approval a capital improvement plan for the repair, replacement, and maintenance of its water distribution system no later than November 5, 2019. Should Martin District contract with a third-party contract management service, the deadline of November 5, 2019, may be extended upon motion for good cause. If no such plan is submitted by the required date or is deemed insufficient

by the Commission, the approval for the use of an infrastructure surcharge shall become automatically null, void, and of no effect whatsoever.

2. By January 18, 2019, Martin District shall issue requests for proposals for management services of all of its operations to each entity identified in Appendix B of the Commission's Order dated November 5, 2018, and in addition, advertise for such proposals between January 18, 2019, and February 1, 2019, in at least one local newspaper and one newspaper of statewide circulation.

3. Conduct a pre-proposal conference and facilities tour on February 5, 2019, and February 6, 2019, and make available on those dates system information packets to each interested party.

4. Establish a deadline of February 8, 2019, for questions by interested parties. Responses to each question shall be provided by Martin District by no later than February 22, 2019.

5. Statements of Qualification and Proposals shall be received and accepted by Martin District up to and including March 18, 2019, with copies of each proposal received to be sent to this Commission by no later than March 22, 2019.

6. Proposals shall be reviewed between March 18, 2018, and March 27, 2019.

7. Martin District shall submit its detailed recommendations as required by the Commission's Order dated November 5, 2018, on or before April 2, 2019.

8. A formal conference shall be held on April 9, 2019, at 10 a.m. Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, in Frankfort, Kentucky for the purpose of discussing the proposals, Martin District's

recommendation and selection of a contractor. The contractor shall be notified by Martin District immediately following selection.

9. Contract negotiations shall be held between April 10, 2019, and April 19, 2019, with a proposed contract to be submitted to this Commission for review on or before April 22, 2019.

10. Review of the proposed contract shall be conducted by this Commission by way of formal conference on April 25, 2019, at the Commission's offices at 211 Sower Boulevard, in Frankfort, Kentucky at 10:00 o'clock a.m.

11. The approved contract shall be executed on or before April 30, 2019.

12. If Martin District fails to comply with any term of this order, or if the Commission determines that the proposal preferred by Martin District is not in the best interests of either Martin District or its customers, or if Martin District fails to successfully negotiate and properly execute a contract for management services of all of its operations on or before April 30, 2019, the Debt Service Surcharge granted to Martin District in this case shall automatically terminate, become null, void, and of no further effect, and all funds remaining in the surcharge account shall be refunded to its customers pro rata.

13. All other provisions of the Commission's November 5, 2018 Order not in conflict with this Order shall remain in full force and effect.

14. This case shall remain open for all purposes deemed by the Commission to be either necessary or advisable to implement, supplement, and enforce the terms of this Order.

By the Commission

ENTERED  
DEC 20 2018  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

Case No. 2018-00017

\*Brian Cumbo  
Attorney at Law  
P.O. Box 1844  
Inez, KENTUCKY 41224

\*Martin County Water District  
387 East Main Street, Suite 140  
Inez, KY 41224

\*Greg Scott  
General Manager  
Martin County Water District  
387 East Main Street, Suite 140  
Inez, KY 41224

\*Mary Cromer  
Appalachian Citizens' Law Center, Inc.  
317 Main Street  
Whitesburg, KENTUCKY 41858

\*M. Todd Osterloh  
Sturgill, Turner, Barker & Moloney, PLLC  
333 West Vine Street  
Suite 1400  
Lexington, KENTUCKY 40507