

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 February 7, 2019, the Martin County Water District (Martin District) filed a joint motion with the Martin County Concerned Citizens (MCCC) for an extension of the deadlines set forth in the Commission's Order dated December 20, 2018, as well as a motion for a revised schedule of implementation of the terms in the December 20, 2018 Order. After considering the motion, the Commission has determined that there are reasonable grounds for an extension of 60 days of the deadline to accept statements of qualifications and proposals, making them due on May 17, 2019. Additionally, upon review of the request for proposal, the Commission has determined that paragraph 6, under "Other Services Requested," including the cost for development of a water and wastewater rate study, is not a requirement pursuant to the November 5, 2018 and December 20, 2018 Orders, and including the cost of a rate study in this request for proposal is not in the best interests of Martin District and its customers. Accordingly, at this time, Martin District should file an addendum to its request for proposal removing paragraph 6, under "Other Services Requested" page 17, so that the extension of time granted by this Order will run concurrently with the extension required for the addendum.

Martin District and MCCC requested the remaining deadlines of the December 20, 2018 Order be extended 60 days, as well.

The Commission finds that the deadline for Martin District to provide copies of each proposal filed with a petition of confidentiality with the Commission should be extended to May 21, 2019, and Martin District should submit its detailed recommendations, as required by the Commission's Order dated November 5, 2018, and December 20, 2018, on or before June 1, 2019. The formal conferences, scheduled for April 9, 2019, and April 25, 2019, at the Commission's offices for the purpose of discussing the proposals and reviewing the contract, should be canceled. The Commission finds that an additional formal confidential conference should be scheduled for June 18, 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 Martin District's recommendation and selection of a contractor. Upon approval by the Commission, the contractor should be notified by Martin District immediately following the selection.

In order for the Commission to address subject matter pertinent to both the investigative case and the alternative rate filing, the formal confidential conference scheduled for June 18, 2019, should be convened and recorded jointly for Case No. 2016-00142 and Case No. 2018-00017.

Contract negotiations should be held between June 19, 2019, and July 19, 2019, with a proposed contract to be submitted to this Commission for review on or before July 20, 2019. Pursuant to the November 5, 2018 and December 20, 2018 Orders, the Commission will review and approve the proposed contract by way of a third formal confidential conference, which will now be held on July 30, 2019, at 10 a.m. Eastern

Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, in Frankfort, Kentucky.

IT IS THEREFORE ORDERED that:

1. Martin District and MCCC's Joint Motion for Extension of Deadlines and for Expedited Ruling is granted in part and denied in part.

2. Martin District shall amend its request for proposal within ten days of this Order, to remove paragraph 6, under "Other Services Requested" page 17, by addendum and any corresponding extension will run concurrently with the extension granted herein.

3. Statements of Qualification and Proposals shall be received and accepted by Martin District up to and including May 17, 2019, with copies of each proposal received to be filed with a petition for confidentiality with the Commission no later than May 21, 2019.

4. Proposals shall be reviewed between May 17, 2019, and May 31, 2019.

5. Martin District should submit its detailed recommendations for approval, as required by the Commission's Order dated November 5, 2018, and December 20, 2018, on or before June 1, 2019.

6. The formal confidential conferences scheduled for April 9, 2019, and April 25, 2019, are canceled and removed from the Commission's calendar.

7. A formal confidential conference shall be scheduled for June 18, 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 Martin District's recommendation and selection of a contractor. The contractor shall be notified by Martin District immediately following selection.

8. Contract negotiations shall be held between June 19, 2019, and July 19, 2019, with a proposed contract to be submitted to this Commission for review on or before July 20, 2019.

9. Review and approval of the proposed contract shall be conducted by this Commission by way of formal confidential conference on July 30, 2019, at 10 a.m. Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, in Frankfort, Kentucky.

10. Martin District shall have present at all confidential formal hearings scheduled by this Order its commissioner, Jimmy Don Kerr, its attorney, the Honorable Brian Cumbo, and its outside consultant, Greg C. Heitzman.

11. The approved contract shall be executed on or before July 31, 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 July 31, 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 and the December 20, 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.

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By the Commission

ENTERED
FEB 21 2019
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2018-00017

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