

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE FEASIBILITY OF)	
PROPOSED MERGER OF CAWOOD WATER)	CASE NO.
DISTRICT AND BLACK MOUNTAIN UTILITY)	2018-00068
DISTRICT PURSUANT TO KRS 74.361)	

ORDER

On June 29, 2022, Black Mountain Utility District (Black Mountain District) tendered a letter to the Executive Director of the Commission to request an extension of time to file for an adjustment in base rates or alternative rate adjustment filing pursuant to 807 KAR 5:076 as required in the Commission’s July 7, 2021 Order. Black Mountain District is a party to this proceeding and unless otherwise ordered,¹ 807 KAR 5:001, Section 5 requires all requests for relief to be by motion. The Commission entered an Order recently to allow utilities impacted by the severe weather in Eastern Kentucky to deviate from the motion practice that applies to filings between July 28, 2022, and September 6, 2022.² Black Mountain District should note that after September 6, 2022, a request to deviate from an order expressed in a letter to the Executive Director will not be considered by the Commission.

¹ See Case No. 2022-00243, *Emergency Docket Related to Severe Weather Event* (Ky. PSC Aug. 3, 2022).

² Case No. 2022-00243 (Ky. PSC Aug. 3, 2022) Order at 2.

Black Mountain District filed a response to Staff's request for further information regarding its request for an extension of 45 days from the original July 7, 2022 deadline.³ The response stated that the utility began preparing for the required rate case 11 months prior to the deadline and that the manager realized within a month that the utility would require assistance.⁴ The utility contacted Kentucky Rural Water Association (KRWA) the week of September 16, 2021, and the Black Mountain District Board of Commissioners approved the utility entering a contract with KRWA on October 14, 2021.⁵ Black Mountain District has not submitted its 2021 Water Annual Report as of the date of this Order, but the response explained that it is being prepared and further explained that the 2020 Water Annual Report was submitted.⁶ Based upon a review of the record, the Commission finds that the utility has not delayed its preparation of its rate case and the record shows that the utility's financial and operational records are not kept in such a way that the utility is able to comply with basic record keeping regulations, which further hinders the utility's efforts to prepare a rate case. Therefore, the Commission finds good cause to grant Black Mountain District's motion for an extension of 45 days from the July 7, 2022 deadline and because that would fall on a Sunday, the new deadline will be August 22, 2022. In compliance with 807 KAR 5:0076, Section 3(1), the Commission shall make its decision for an alternative rate adjustment based on the utility's annual report for the immediate past year and the annual reports for the two prior years, therefore, the utility is

³ Black Mountain District's Response to Commission Staff's Sixth Request for Information (Staff's Sixth Request) (filed July 26, 2022).

⁴ Black Mountain District's Response to Staff's Sixth Request, Items 1-2.

⁵ Black Mountain District's Response to Staff's Sixth Request, Items 3-4.

⁶ Black Mountain District's Response to Staff's Sixth Request, Item 5.

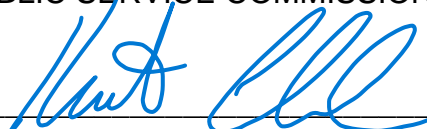
reminded to use its 2021 Water Annual Report in the preparation of its application for a rate adjustment.

IT IS THEREFORE ORDERED that:

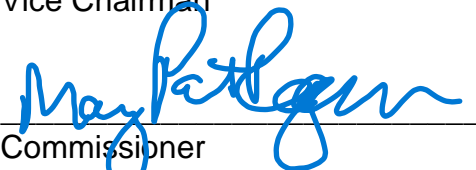
1. Black Mountain District's motion for an extension is granted and the utility shall file a traditional rate case or alternative rate adjustment by August 22, 2022.
2. This case is closed and removed from the Commission's docket.

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PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner

ENTERED
AUG 17 2022
rcs
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


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