

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED WATER)	CASE NO.
ADJUSTMENT FILING OF WHITLEY COUNTY)	2021-00157
WATER DISTRICT #1)	

ORDER

This matter arises upon Whitley County Water District #1's (Whitley District #1) request for an extension of time to comply with a Commission Order. On May 3, 2021, the Commission entered an Order requiring Whitley District #1 to file an application for a traditional adjustment in rates or an alternative rate adjustment (ARF) within one year of the date of that Order to ensure that Whitley District #1's financial situation is sufficient. On June 15, 2022, Whitley District #1 filed letter requesting an extension of time in which to file an ARF. Whitley District #1 requested an extension of 180 days through November 3, 2022. The Commission will treat the letter as a motion.

In support of its motion, Whitley District #1 asserted that it was an oversight that it did not file an application for an adjustment in rates within the timeframe required by the Commission. Whitley District #1 stated that it is now working with Kentucky Rural Water Association (KRWA) to get an ARF application filed as soon as possible. Whitley District #1 further stated that it recently received a proposal from KRWA to perform a rate study that will be fully funded through a grant. Whitley District #1 explained that it intends to accept the proposal and proceed as soon as is practicable.

The Commission finds that Whitley District #1 failed to establish good cause to be granted an extension and therefore the motion should be denied. Given the importance of maintaining an adequate financial condition as part of the utility's statutory duty to provide adequate, efficient and reasonable service, and the utility's statutory duty to act in accordance with Commission Orders, Whitley District #1 failed to provide an adequate explanation why it delayed preparing an application in contravention of the Commission's Order.

Based upon statements made in the motion, the Commission further finds Whitley District #1 in violation of the Commission's May 3, 2021 final Order. KRS 278.990(1) provides that any utility, and any officer, agent, or employee of a utility that willfully violates any Commission Order provision of KRS Chapter 278, any regulation promulgated pursuant to KRS Chapter 278, or fails to perform any duty imposed upon it shall be subject to a civil penalty not less than \$25 and not more than \$2,500 for each offense.

The Commission directs Whitley District #1 to work diligently with its consultants to complete and file the application, and the Commission will determine if or what further actions need to be taken to account for Whitley District #1's significant oversight in not timely filing the ARF application in compliance with the Commission Orders. Whitley District #1 shall file an application for a traditional adjustment in rates or an ARF as soon as possible. The Commission puts Whitley District #1 on notice that failure to timely file for a traditional adjustment in rates or an ARF as soon as possible may result in sanctions to Whitley District #1 and its officers, agents, and employees.

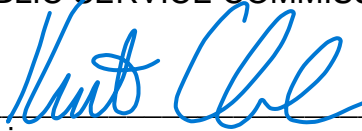
IT IS THEREFORE ORDERED that:

1. Whitley District #1 is denied an extension of time through November 3, 2022, to submit an application for a traditional adjustment in rates or an ARF.

2. Whitley District #1 shall file for file an application for a traditional adjustment in rates or an ARF as soon as possible.

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PUBLIC SERVICE COMMISSION



Chairman

Vice Chairman

Commissioner



ATTEST:



Executive Director

*Mr. Kenneth Taylor
Kenvirons, Inc.
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Frankfort, KENTUCKY 40602

*Sandra Smith
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