

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED WATER	)	CASE NO.
ADJUSTMENT FILING OF SHARPSBURG WATER	)	2021-00189
DISTRICT	)	

ORDER

In its May 27, 2021 final Order, the Commission ordered Sharpsburg Water District (Sharpsburg District) to file an application for a traditional adjustment in rates or an alternative rate adjustment (ARF) within one year of the date of the Order to ensure its financial situation is sufficient. On April 20, 2022, and May 5, 2022, Sharpsburg District filed motions for an extension of time in which to file for an adjustment in its base rates or an ARF. Sharpsburg District requested an extension of six months from May 27, 2022. In support of its motions Sharpsburg District stated that it intends to rely upon its 2021 audit for its application and, as of the filing of its motion, the audit was not complete. Sharpsburg District also stated that it contacted Kentucky Rural Water Association (KRWA) on April 11, 2022, for help filing its application and KRWA estimated it would need the additional six months.

The Commission finds that the motions for extension of time are denied as Sharpsburg District should have begun preparing its application sooner than six weeks prior to the deadline and it is presently in need of a rate increase per the updated financial

analysis below.<sup>1</sup> The Commission further notes that there is no requirement for Sharpsburg District to file its application in reliance on its audit, as the test year is based on a utility's annual report, and finds that Sharpsburg District's motions for extension of time are denied for failure to establish good cause. The Commission finds Sharpsburg District in violation of the Commission's May 27, 2021 final Order. The Commission further finds that Sharpsburg District shall file an application for a traditional adjustment in rates or an ARF as soon as possible. Failure to do so may result in the Commission assessing sanctions to Sharpsburg District.

Finding that Sharpsburg District's April 20, 2022 and May 5, 2022 motions for extension of time failed to establish good cause,

IT IS THEREFORE ORDERED that:

1. Sharpsburg District is denied an extension of time of six months from May 27, 2022, to submit an application for a traditional adjustment in rates or an ARF.
2. Sharpsburg District shall file an application for a traditional adjustment in rates or an ARF as soon as possible. Failure to do so may result in the Commission assessing sanctions to Sharpsburg District.

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Year	2015	2016	2017	2018	2019	2020
Net Income before Contributions	\$ (110,853)	\$ (51,466)	\$ (105,329)	\$ (61,982)	\$ (57,499)	\$ (56,948)
Add: Depreciation Expense	\$ 150,083	\$ 134,639	\$ 133,872	\$ 133,871	\$ 133,814	\$ 133,791
Cash Basis Income	\$ 39,230	\$ 83,173	\$ 28,543	\$ 71,889	\$ 76,315	\$ 76,843
Cash and Cash Equivalents	400,557	444,258	439,524	455,899	487,036	\$ 504,370
Restricted Funds	\$ 181,912	\$ 188,012	\$ 197,419	\$ 211,973	\$ 217,520	\$ 224,170
Net Increase (Decrease) in Cash	\$ 9,332	\$ 43,701	\$ 38,967	\$ 16,375	\$ 31,137	\$ 17,334

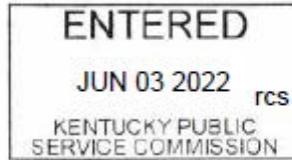
PUBLIC SERVICE COMMISSION



Chairman

Vice Chairman

Commissioner



ATTEST:



Executive Director

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