

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MOUNTAIN)	
WATER DISTRICT TO ISSUE SECURITIES IN)	
THE APPROXIMATE PRINCIPAL AMOUNT OF)	
\$5,930,000 FOR THE PURPOSE OF)	CASE NO.
REFINANCING CERTAIN OUTSTANDING)	2021-00412
OBLIGATIONS OF THE DISTRICT PURSUANT TO)	
THE PROVISIONS OF KRS 278.300 AND 807 KAR)	
5:001)	

ORDER

On December 5, 2022, Mountain Water District (Mountain District) moved for an extension of time until January 27, 2023, to submit its applications for an adjustment in base rates in accordance with the Commission’s December 13, 2021 Order in this proceeding.¹ Under the terms of that Order, Mountain District is required to apply for rate adjustments of its water and sewer rates no later than December 28, 2022.

The Commission ordered Mountain District to file a rate case because Mountain District had not applied for an adjustment of rates pursuant to KRS 278.180 since 2014. Mountain District has experienced a level of unaccounted-for water loss well in excess of the standard set forth in 807 KAR 5:066(3) for the previous five years. And Mountain District has been consistently operating with negative net income over the last five years.

¹ Order (Ky. PSC Dec. 13, 2021) at 9.

On December 29, 2022, The Commission entered an Order granting the thirty-day extension to January 27, 2023, for Mountain District to file a rate case.² The Commission found in that Order that Mountain District established good cause because Mountain District requested a brief extension to complete and file its application and provided specific details that underlie the need for the brief extension of time.

On January 19, 2023, Mountain District filed a motion for an additional extension of time to file its rate applications.³ Mountain District restated its original arguments from its first request for additional time and supplemented those original arguments with additional arguments. Mountain District stated that when requesting the first extension, Mountain District's counsel underestimated the time necessary to complete the applications.⁴ Further, Mountain District explained that most of its staff persons have not previously been involved in a general rate case proceeding or the preparation of an application for general rate adjustment and have limited experience in that regard.⁵ Mountain District additionally stated that to ensure a test year that is most representative of its current operations, Mountain District will base its applications on a historical test period that runs from July 1, 2021, to June 30, 2022. It argued that the use of this test period requires additional effort to assemble the financial information and documents necessary to support its applications and does not permit reliance solely upon information

² Order (Ky. PSC Dec. 20, 2022).

³ Mountain District's Second Motion for Extension of Time to File Applications for Rate Adjustment (Second Motion for Extension of Time) (filed Jan. 19, 2023)

⁴ Mountain District's Second Motion for Extension of Time, at 3.

⁵ Mountain District's Second Motion for Extension of Time, at 2.

gathered in preparation of its last filed annual report or audit.⁶ Lastly, Mountain District stated that with its applications to adjust its rates for water service that it will submit a cost of service study that requires greater work and more information than applying an across the board increase to all its rate blocks.⁷

The Commission finds, as with the first motion for additional time, that Mountain District established good cause; therefore, Mountain District's second motion for an extension of time to file its rate case applications should be granted. This is because Mountain District requested another brief extension to complete and file its applications, as well as specific details that underly the need for the brief extension of time. The Commission further finds that Mountain District should have until February 27, 2023, to submit its applications.

IT IS THEREFORE ORDERED that:

1. Mountain District's second motion for an extension of time to file its rate adjustment applications for its water and sewer divisions is granted.
2. Mountain District shall file its rate adjustment applications on or before February 27, 2023.

⁶ Mountain District's Second Motion for Extension of Time at 2.

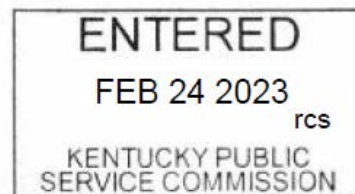
⁷ Mountain District's Second Motion for Extension of Time at 3.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner



ATTEST:


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