

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC INVESTIGATION INTO)	
FARMDALE WATER DISTRICT TO DETERMINE)	
THE FEASIBILITY OF MERGER WITH A)	CASE NO.
PROXIMATE UTILITY PURSUANT TO KRS 74.361)	2024-00202
OR ABANDONMENT PURSUANT TO)	
KRS 278.020(6), AND KRS 278.021)	

ORDER

On February 26, 2024, Farmdale Water District (Farmdale District) and intervenor Electric and Water Plant Board of the city of Frankfort, Kentucky (Frankfort Plant Board) (jointly, Movants), filed a joint motion to hold this matter in abeyance for at least one year. In support of this motion, Movants stated that many of the deficiencies for which Farmdale District was found in violation have subsequently been remedied.¹ Movants argued additional time should be given for Farmdale District to reduce its water loss, noting steps taken to do so, including filing an updated Qualified Infrastructure Improvement Plan (QIIP) and a seven-year capital spending plan as well as obtaining Commission approval for release of water loss surcharge funds for replacement of meters.² Movants further noted that Farmdale District contracted with Frankfort Plant Board to obtain technical and administrative assistance.³ Movants also stated that Farmdale District contracted with

¹ Joint Motion to Place Abeyance (Motion) (filed Feb. 26, 2025) at 1-2.

² Motion at 3.

³ Motion at 4.

Kentucky Rural Water Association (KRWA) to assist with the alternative rate filing (ARF) case the Commission required Farmdale District to file by August 31, 2025.⁴

The Commission has previously permitted a stay of proceedings for good cause, including in a merger case.⁵

Having reviewed the motion and record, the Commission finds that the motion for abeyance should be granted. This proceeding was established to investigate Farmdale District's ability to provide reasonable and adequate water services to its customers following an investigation in Case No. 2022-00347.⁶ Farmdale District's inability to maintain its regulatory requirements and its history of high water loss contributed to the decision to open this case. Farmdale District has established that it has taken steps to address these problems. Allowing an abeyance will provide Commission Staff an additional year of data to determine the adequacy of Farmdale District's efforts to comply with the requirements set forth in Case No. 2022-00347. Completion of the ARF will also better clarify Farmdale District's revenue requirements prior to issuance of the feasibility report. Due to significant steps taken by Farmdale District to comply with the Commission's findings in Case No. 2022-00347 and the benefit to Commission Staff of having additional data to inform its development of the merger feasibility report required by KRS 74.361(2), the Commission finds good cause to grant an abeyance.

⁴ Motion at 3.

⁵ See Case No. 2021-00341, *An Electronic Investigation into Milburn Water District to Determine the Feasibility of Merger with a Proximate Utility Pursuant to KRS 74.361 or Abandonment Pursuant to KRS 278.020(6), KRS 278.021* (Ky. PSC Aug. 15, 2024), Order at 3.

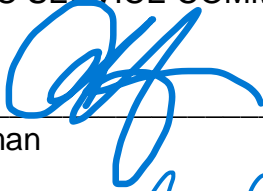
⁶ Case No. 2022-00347, *Electronic Alleged Failure of Farmdale Water District, and Its Individual Commissioners Scottie Woolridge, Jon Dailey, and Eddie Harrod to Comply with KRS 278.030, 807 KAR 5:006, Section 4(4), 807 KAR 5:006, Section 26 and 807 KAR 5:066* (Ky. PSC Sept. 4, 2024), Order.

IT IS THEREFORE ORDERED that:

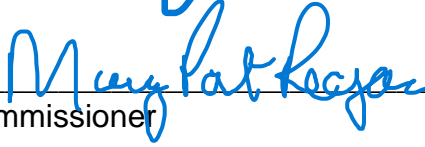
1. Movants' motion for an abeyance is granted.
2. This matter is held in abeyance until May 31, 2026.
3. Nothing in this Order shall be construed to change any requirements set forth in the final Order in Case No. 2022-00347 that do not conflict with this Order.

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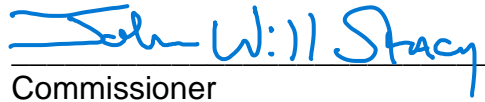
PUBLIC SERVICE COMMISSION



Chairman



Commissioner



Commissioner

ATTEST:



Executive Director *RP*

ENTERED
MAR 26 2025_{AH}
KENTUCKY PUBLIC
SERVICE COMMISSION

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