

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|---------------------------------------|---|------------|
| ELECTRONIC APPLICATION OF MARTIN |) | CASE NO. |
| COUNTY WATER DISTRICT TO ENTER INTO A |) | 2025-00249 |
| LEASE FOR SERVICE TRUCKS |) | |

ORDER

On August 4, 2025, Martin County Water District (Martin District) filed an application, pursuant to KRS 278.300, requesting retroactive authorization for Martin District to enter into a lease for service trucks.

KRS 278.300(2) provides that the Commission must adjudicate an application for authority to issue an evidence of indebtedness within 60 days of the date that the application was filed. KRS 278.300(2) also provides that the Commission can continue its review of the application for longer than 60 days upon a showing of good cause.

Based upon a review of the application, the Commission finds that, at this time, extending the statutory deadline does not appear to be necessary.

The Commission further finds that a procedural schedule should be established for the orderly processing of this case. The procedural schedule is attached as Appendix A to this Order.

Additionally, any hearing scheduled in this matter should be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001, Section 2, if the hearing is not concluded on the designated day, the hearing may be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued

hearing. Hearings are held in the Richard Raff Hearing Room at the offices of the Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky. Witnesses who sponsor schedules, testimony, or responses to requests for information are expected to participate in person at a hearing.

Finally, Martin District should file on or before the date set forth in the procedural schedule, its responses to the Commission Staff's Request for Information, attached to this Order as Appendix B. Moreover, Martin District should respond to any future requests for information propounded by Commission Staff by the date or dates set forth on any such requests.

IT IS THEREFORE ORDERED that:

1. The procedural schedule set forth in Appendix A to this Order shall be followed.
2. On or before the date set forth in the procedural schedule, Martin District shall file its responses to the Commission Staff's request for information, attached to this Order as Appendix B.
3. Martin District shall respond to any additional requests for information propounded by Commission Staff, whether identified on the procedural schedule or otherwise, as provided in those requests.
4. Any party filing a paper with the Commission shall file an electronic copy in accordance with the electronic filing procedures set forth in 807 KAR 5:001, Section 8. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked. The Commission directs the parties to the

Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission.

5. As set forth in 807 KAR 5:001, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding that is not adequately represented in the case, or (2) that the person requesting permissive intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. Therefore, any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not otherwise adequately represented, or the issues and facts that the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of utility service consumed by the movant or a general statement regarding a potential impact of possible modification of rates will not be deemed sufficient to establish a special interest.

6. Any motion to intervene filed after the date established in the procedural schedule shall also show good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

7. Martin District shall give notice of any scheduled hearing in accordance with the provisions set forth in 807 KAR 5:001, Section 9(2). In addition, the notice of hearing shall include the following statements: "This hearing will be streamed live and may be viewed on the PSC website, psc.ky.gov" and "Public comments may be made at the

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

beginning of the hearing. Those wishing to make oral public comments may do so by following the instructions listing on the PSC website, psc.ky.gov.” At the time publication is requested, Martin District shall forward a duplicate of the notice and request to the Commission.

8. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

9. Any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001, Section 2, if the hearing is not concluded on the designated day, the hearing shall be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing.

10. Witnesses who sponsor schedules, testimony, or responses to requests for information shall participate in person at any hearing scheduled in this matter.

11. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), a digital video recording shall be made of the hearing.

12. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

13. The Commission does not look favorably upon motions to substitute witnesses or excuse witnesses from testifying at Commission hearings. Accordingly, motions to substitute witnesses or excuse a witness from testifying at a Commission

hearing or from testifying in person at a Commission hearing shall be made in writing at least 14 days prior to the hearing and will be granted only upon a showing of good cause.

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PUBLIC SERVICE COMMISSION

Stamps
w/ Fabrication

Audie Hatten

Chairman

Andrew W Wood

Commissioner

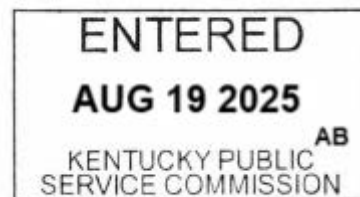
Mary Pat Regan

Commissioner

ATTEST:

Linda Bridwell RP

Executive Director



APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2025-00249 DATED AUG 19 2025

Last day for intervention requests to be accepted..... 08/25/2025

Martin District shall file responses to initial requests for
information no later than..... 08/29/2025

All supplemental requests for information to Martin District
shall be filed no later than 09/05/2025

Martin District shall file responses to supplemental requests
for information no later than 09/12/2025

Last day for parties to request a Public Hearing or submit a
request for the matter be decided based upon the written record 09/15/2025

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2025-00249 DATED AUG 19 2025

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO MARTIN COUNTY WATER DISTRICT

Martin County Water District (Martin District), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on August 29, 2025. The Commission directs Martin District to the Commission's July 22, 2021 Order in Case No. 2020-00085² regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Martin District shall make timely amendment to any prior response if Martin District obtains information that indicates the response was incorrect or incomplete when made

² Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Martin District fails or refuses to furnish all or part of the requested information, Martin District shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Martin District shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. For each officer of Martin District, provide the date of appointment and Fiscal Court minutes that authorize their appointment and respective salary.
2. For each officer of Martin District, state whether the officer has attended training conducted by the Commission and state when the training was attended.
3. State whether Martin District consulted an attorney before committing to the Lease with Magnolia Bank (Lease) entered into June 9, 2025.
4. State why Martin District did not seek Commission approval before committing to the Lease.
5. Regarding the agreement with Magnolia Bank, provide the following:
 - a. The Note and all other documentation with Magnolia Bank;

b. A copy of the board minutes where the purchase of the trucks and terms of the Lease with Magnolia Bank were approved;

c. The amortization schedule for the trucks.

6. Provide the total current number of service trucks in Martin District's fleet.

7. Refer to Affidavit of Tom Adams.

a. Provide the make, model, VIN number, and current mileage for the three trucks that were referenced, including the truck that was damaged and unable to be repaired; the truck with over 200,000 miles with a failed transmission; and the truck with a transmission that was slipping for which the cost of repair exceeded the value of the truck.

b. Provide any documentation or quotes for the damages and necessary repairs to the vehicle referenced above.

c. Provide copies of invoices to document the referenced \$23,000 Martin District spent from January 2025 to May 2025 in attempt to keep its fleet serviceable.

8. Refer to the statement in the Affidavit of Tom Adams, "[t]hat the District lacks sufficient trucks to maintain the system and provide necessary services needed for Martin County Water District customers and rate payers." Confirm if Martin District asserts it will maintain a sufficient fleet of service trucks to provide service to its customers with the addition of the five vehicles for which the Lease was entered into with Magnolia Bank.

9. Explain why Martin District needed to lease five vehicles, instead of three, to replace the vehicles taken out of service as discussed above.

10. Provide a chart listing the NARUC depreciation life and the date each vehicle will be or was placed in service.

11. Provide the anticipated journal entries by Uniform System of Accounts (USoA) Account Numbers to record the financing transactions.

12. Provide a breakdown of the revenue requirement impact of the lease including the following items:

a. Net operating expense increase or decrease by expense component;

b. Annual depreciation, including calculations, for each component for which there are different depreciation lives;

c. Annual debt service for each debt component;

d. Twenty percent working capital on debt service amounts in Item 12(c);

e. Total of all items above.

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