

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF THE FAILURE OF WATER SERVICE CORPORATION OF KENTUCKY TO HOLD ANNUAL PUBLIC MEETINGS IN THE CITIES OF CLINTON AND MIDDLESBORO))))	CASE NO. 2014-00272
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ORDER

Water Service Corporation of Kentucky ("WSCK") is a Kentucky Corporation which provides water service for compensation to 7,362 customers in Hickman and Bell counties, Kentucky.¹ WSCK is a wholly owned subsidiary of Utilities, Inc., an Illinois Corporation that indirectly owns over 70 water and wastewater systems in 15 states throughout the United States.

In Case No. 2012-00133, the Commission authorized the transfer of control of WSCK from Hydro Star, LLC ("Hydro Star") to Corix Utilities (Illinois) LLC ("Corix Utilities") and Corix Infrastructure through Corix Utilities' acquisition of ownership and control of Hydro Star, subject to certain conditions set forth in ordering paragraphs 2 through 27.² Specifically, the Commission ordered Corix Utilities and Utilities, Inc. to hold an annual public meeting in the cities of Clinton and Middlesboro, Kentucky.³

¹ *Annual Report of Water Service Corporation of Kentucky to the Public Service Commission of Kentucky for the Year Ending December 31, 2013* at 11 and 53.

² Case No. 2012-00133, Joint Application of Corix Utilities (Illinois) LLC; Hydro Star, LLC; Utilities, Inc.; and Water Service Corporation of Kentucky for the Transfer and Acquisition of Control Pursuant to KRS 278.020 (Ky. PSC Aug. 13, 2012).

³ *Id.* at ordering paragraph 20.

Senior officers from the regional office of Utilities, Inc. who oversee WSCK's operations were to attend and participate in the annual public meeting.

On June 20, 2013, WSCK filed a notice of intent to file an electronic application for rate adjustment.⁴ At the evidentiary hearing held in that matter on April 9, 2014, Bruce Haas, Regional Director of Operations for the Midwest Region of Utilities, Inc. testified that neither he nor any other senior officer that oversees the operation of WSCK's operations had attended or participated in a public meeting in either the city of Clinton or the city of Middlesboro.⁵

Based on ordering paragraph 20 in Case No. 2012-00133, Mr. Haas' testimony in Case No. 2013-00237, and being otherwise sufficiently advised, the Commission finds that a prima facie case has been made that WSCK violated the Commission's Order in Case No. 2012-00133. Therefore, the Commission establishes this case to determine whether WSCK failed to hold an annual public meeting in the cities of Clinton and Middlesboro with the attendance and participation of senior officers from the regional office of Utilities Inc., as required by ordering paragraph 20 of the August 13, 2012 Order in Case No. 2012-00133.

IT IS THEREFORE ORDERED that:

1. WSCK shall submit to the Commission, within 20 days of the date of this Order, a written response to the allegations contained in this Order.

2. WSCK shall appear at a hearing on November 6, 2014, at 10 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 211 Sower

⁴ Case No. 2013-00237, Application of Water Service Corporation of Kentucky for an Adjustment of Rates, (filed September 27, 2013).

⁵ *Id.* Hearing Apr. 9, 2014, Video Transcript at 15:41:40 – 15:45:59

Boulevard in Frankfort, Kentucky, for the purpose of presenting evidence concerning the alleged violations of ordering paragraph 20 of the August 13, 2012 Order in Case No. 2012-00133 and to show cause why it should not be subject to the penalties prescribed in KRS 278.990(1) for the alleged violations.

- 3. The November 6, 2014 hearing shall be recorded by videotape only.
- 4. Any request for an informal conference with Commission Staff shall be set forth in writing and filed with the Commission within 20 days of the date of this Order.
- 5. The record of Case Nos. 2012-00133 and 2013-00237 are incorporated herein by reference.

By the Commission

ENTERED AUG 07 2014 KENTUCKY PUBLIC SERVICE COMMISSION
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ATTEST: 

Executive Director

James Leonard
Regional Manager
Water Service Corporation of Kentucky
1221 East Cumberland Avenue
Middlesboro, KY 40965