

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE KENTUCKY PUBLIC SERVICE COMMISSION )  
vs: ) Case No. 9424  
BIG SANDY WATER WORKS )

O R D E R

On November 19, 1984, the Commission received a complaint from Douglas A. Kretzer about low water pressure in the Van Lear area of Johnson County, Kentucky. Mr. Kretzer is a customer of the Big Sandy Water Works ("Big Sandy"). The Commission staff investigated this complaint and notified Big Sandy, in writing, to formulate a water system improvement program that would add additional flow in the vicinity of Van Lear and maintain a minimum service pressure of 30 psig. Big Sandy was also advised to develop a schedule of events and the requisite financial package to implement the improvements and was requested to file a report within 30 days of March 27, 1985, the mailing date of the request. Big Sandy did not respond to this request, nor to a follow-up letter dated June 10, 1985.

In addition, on March 26, 1985, a periodic inspection was made of Big Sandy by a staff member of this Commission. The report of that inspection described certain operational matters that did not meet the minimum requirements of the Commission's

regulations and recommended that corrective actions be taken by Big Sandy. A copy of the report was mailed to Big Sandy and a response was requested by April 30, 1985. Big Sandy did not respond, nor did it respond to the staff's follow-up letters dated April 24, 1985, and June 10, 1985.

On September 24, 1985, an Order was entered directing Big Sandy to appear at the offices of the Commission and explain its failure to comply with the Commission's regulations. Big Sandy did not appear. A telephone call to Michael J. Wiley, president of Big Sandy, determined, among other things, that because of his wife's illness he could not attend the hearing. In addition, Mr. Wiley said he would respond to the Commission's request for information on the customer complaint and periodic investigations in the near future. No response has been received.

By Order entered January 13, 1986, the Commission again directed Big Sandy to appear before it and show cause why it failed to comply with the Commission's regulations. Big Sandy did not appear for the hearing scheduled on February 25, 1986. On February 25, 1986, the Commission telephoned Mr. Wiley, who stated he had not received the Show Cause Order entered January 13, 1986.

The Commission's records show that Mr. Wiley received and signed the certified mail receipt of the January 13, 1986, Show Cause Order on January 16, 1986.

After review of the record, the Commission finds that Big Sandy has been notified of a complaint and of deficiencies in its

system. Big Sandy has been served with several Orders and a staff report that describe deficiencies in its treatment plant and compliance with the Commission regulations.

Big Sandy has failed to respond either in writing or in person to any of the matters pending. Big Sandy was given two opportunities to appear at hearings to present evidence of compliance with the Commission regulations, efforts to comply, or factors precluding compliance. However, because Big Sandy did not appear, and because there is no evidence in the record to the contrary, the Commission finds that the deficiencies set forth in the staff report of March 28, 1985, which were the subject of the Show Cause proceeding, exist and should be corrected.

The penalty for failure to comply with the rules and regulations of the Commission is stated in KRS 278.990. Based on the record, the Commission finds that Big Sandy has not complied with the requirement of 807 KAR 5:066, Section 5(5), Service Interruption; 807 KAR 5:006, Section 8, Customer Complaints; 807 KAR 5:066, Section 6(2), Pressure Testing Devices; 807 KAR 5:006, Section 17, System Maps and Records; 807 KAR 5:011, Section 12, Posting Tariffs, Regulations and Statutes; 807 KAR 5:066, Section 6, Pressures; 807 KAR 5:066, Section 17(1), Meter testing; 807 KAR 5:066, Section 6(1), Pressures; and 807 KAR 5:066, Section 11(1-2) Construction Requirements. For each of these violations, the Commission finds that Big Sandy should be fined the sum of \$100, for a total of \$900.

For failure to appear at the hearing of February 25, 1986, the Commission finds that Big Sandy should be fined the sum of \$500. Big Sandy should issue a check payable to the State Treasurer to the Secretary of the Commission within 21 days of the date of this Order. A report detailing its efforts to comply with Commission requirements should be filed with the check. Continued disregard for Commission Orders may subject Big Sandy to additional penalties.

After a review of the record, the Commission ORDERS that:

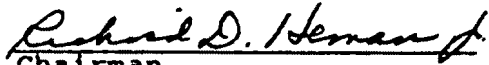
1) Big Sandy shall remit to the Commission within 21 days the sum of \$100 for each offense set forth above;

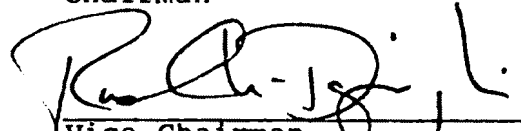
2) Big Sandy shall remit to the Commission within 21 days the sum of \$500 for failure to obey the Order of January 13, 1986;

3) Big Sandy shall within 21 days submit a report to the Commission detailing its efforts to comply with the findings in the inspection report of March 28, 1985.

Done at Frankfort, Kentucky, this 16th day of April, 1986.

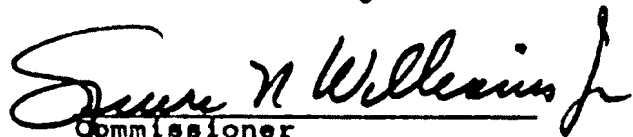
PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

ATTEST:

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Secretary

  
Commissioner