

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE KENTUCKY PUBLIC SERVICE )  
COMMISSION VS. NORTH MARSHALL WATER ) CASE NO. 9621  
DISTRICT )

SHOW CAUSE ORDER

On September 28, 1984, the Commission received a letter of complaint from Mr. & Mrs. Jerry Wommack in regard to the extension of water service by the North Marshall Water District ("North Marshall"). North Marshall's response dated December 26, 1984, indicated that it was not complying with the Commission's regulations on extension of service contained in 807 KAR 5:066 Section 12. On February 4, 1985, North Marshall was notified by a copy of a letter addressed to Mr. Jerry Wommack of the Commission's interpretation of 807 KAR 5:066, Section 12. To date North Marshall has not commented on the February 4, 1985, letter. Mr. Wommack informed the Commission by telephone on April 10, 1986, that North Marshall still refused to provide water service in conformance with 807 KAR 5:066, Section 12.


On April 17, 1986, an investigation was made of North Marshall by a staff member of this Commission. A copy of the report of that investigation dated April 24, 1986, is attached as Appendix A to this order.

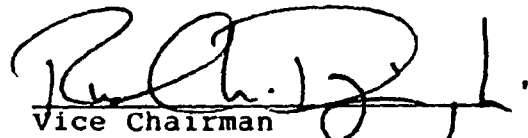
After considering the matter and being advised, the Commission, on its own motion, finds that a hearing should be held in this matter.

IT IS THEREFORE ORDERED that North Marshall shall appear at a hearing at the offices of the Commission in Frankfort, Kentucky, August 6, 1986, at 1:30 p.m., Eastern Daylight Time, in Hearing Room No. 1, and show cause, if any it can, as to why it should not comply with the Commission's regulations on extension of water service contained in 807 KAR 5:066, Section 12.

Done at Frankfort, Kentucky, this 10th day of July, 1986.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

\_\_\_\_\_  
Secretary

APPENDIX A  
INVESTIGATION REPORT

TO: Claude G. Rhorer, Jr., Director *CR*  
Division of Utility Engineering and Services

THRU: Eddie B. Smith, Manager  
Water and Sewer Section *EPS*

FROM: K. Michael Newton, Utility Investigator *K.M.N.*  
Water and Sewer Section

DATE: April 24, 1986

RE: Mr. & Mrs. Jerry Wommack vs North Marshall  
Water District

BRIEF

On April 17, 1986, an investigation was made of the North Marshall Water District ("North Marshall"), Marshall County, Kentucky. This investigation was conducted by K. Michael Newton, with information provided by Mr. James Dossett, Manager of North Marshall.

This investigation was made in response to a complaint letter from Mr. and Mrs. Jerry Wommack received by the Commission September 23, 1984.

INVESTIGATION

On April 17, 1986, a meeting was held with Mr. Jerry Wommack to discuss the current situation at North Marshall.

Mr. Wommack states he first contacted North Marshall for water service in the spring of 1979 after completing construction of his home on Cypress-Dunn Cemetery Road. North Marshall did not have an existing water main on Cypress-Dunn Cemetery Road but did have a water main roughly 1 1/4 miles away on Old Dyke Road.

North Marshall informed Mr. Wommack that if he and the other prospective customers would pay for the cost of running the water line down the Cypress-Dunn Cemetery Road, North Marshall would agree to pay \$150 per customer towards the water line.

Mr. Wommack and nineteen other customers contributed \$450 each or \$9,000 total toward the construction of a 4-inch P.V.C. water main on Cypress-Dunn Cemetery Road. North Marshall paid \$150 per customer or \$3,000 total toward this construction. Labor for this project was provided by Mr. Wommack and the other prospective customers.

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North Marshall has refunded the original twenty customers on Cypress-Dunn Cemetery Road for three customers connecting after the waterline was built. This refund amounted to \$100 divided by the twenty original customer for each connection made. North Marshall discontinued refunds after these three rebates. Five additional customers have connected since that time with no refunds paid the original customers. All customers connecting after construction of the water line have paid a connection fee of \$300.

In 1982, Mr. Wommack purchased a vacation cabin on Engine Road in Marshall County. An existing 3-inch P.V.C. water main extended down this road constructed in 1981 by North Marshall. Mr. Wommack took the connection fee of \$300 to North Marshall and was instructed to put a stake where he wanted the water meter set.

Several days later North Marshall telephoned Mr. Wommack that the connection fee for a water meter on Engine Road was \$630. Mr. Wommack was instructed the original water holders had paid this and he would have to pay this amount.

Mr. Wommack disagreed with North Marshall's extension of a water main policy toward these two separate areas and hence made his complaint to the Public Service Commission.

On April 17, 1986, I met with James Dossett, manager of North Marshall to discuss their policies on water main extension and this complaint case. Mr. Dossett stated that to the best of his knowledge the information received from Mr. Wommack was correct. In addition, he stated North Marshall does try to get a contract from all prospective customers for such extensions. However, North Marshall has not followed Commission regulations in these contracts.

On February 4, 1985, the Commission staff responded to Mr. Wommack's letter of complaint and correspondence from North Marshall stating the correct definition of 807 KAR 5:066, Section 12 Extension of Service. In addition, the Commission recommended North Marshall to allow Mr. Wommack connection to its distribution system for the connection fee of \$300, which is the fee for a 5/8-inch meter.

On April 10, 1986, the Commission staff received a telephone call from Mr. Wommack that North Marshall still would not allow him water service to his vacation home for \$300.

CONCLUSIONS

1. North Marshall has not followed PSC regulations in reference to 807 KAR 5:066, Section 12 Extension of Service.

2. North Marshall has charged additional customers connecting to a contributed water main a fee higher than that prescribed in its tariff on file with the Commission.

3. North Marshall has not made refunds to customers contributing to a water main extension in accordance with the Commission regulations.

4. North Marshall has refused to provide Mr. Wommack water service after Commission staff wrote them to do so.

RECOMMENDATIONS

North Marshall has continued to misinterpret the Commission's regulations on extension of a water main and therefore will not provide Mr. Wommack water service.

It is my opinion, if legal counsel concurs, that a show cause proceeding is warranted in this matter.