

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF HUNTSVILLE-SOUTH HILL WATER ASSOCIATION, INC.	) ) ) )	CASE NO. 91-158
_____	)	
ALLEGED VIOLATION OF KRS CHAPTER 278	)	

O R D E R

Huntsville-South Hill Water Association, Inc. ("Huntsville-South Hill") is a nonprofit corporation formed under KRS Chapter 273 which distributes water to approximately 191 customers in southern Butler County, Kentucky. Commission Utility Investigators inspected Huntsville-South Hill for compliance with Commission statutes and regulations on August 17, 1989 and again on November 26, 1990. The results of those inspections were reduced to reports and sent to the utility in the interest of obtaining their response and both reports are appended to this Order and incorporated herein as Appendix A and Appendix B, respectively.

Huntsville-South Hill was cited in the August 1989 Inspection Report for seven specific deficiencies relating to the provision of water service. Huntsville-South Hill was directed to respond to the deficiencies noted in the report no later than September 29, 1989. Commission records reflect that Mr. Rollie Porter, treasurer of Huntsville-South Hill, filed a one sentence response

on November 10, 1989 stating, "We have corrected most of the deficiencies and will have all corrected by the end of the year." On November 17, 1989, Commission Staff advised Huntsville-South Hill that more detail was needed and requesting that Huntsville-South Hill individually describe the method by which the deficiencies were corrected or what future plans had been made to correct each deficiency. A starting date and a completion date was requested for each action taken on each deficiency. Commission record reflects that no further response was received from Huntsville-South Hill.

Huntsville-South Hill was reinspected on November 26, 1990 as reflected in the report attached as Appendix B. Huntsville-South Hill was cited in the 1990 report for 12 deficiencies relating to the provision of water service. At least four of the deficiencies cited were repeat violations that had not been corrected since the 1989 inspection. It is clear from Appendix B that there has been very little change since the last inspection in any of the deficiencies previously noted. The fact that more deficiencies were found in the more recent inspection than were found in the prior inspection would indicate that very little, if any, progress is being made toward compliance with Commission statutes and regulations. Huntsville-South Hill did not respond as requested to the November 26, 1990 Inspection Report.

KRS 278.080 authorizes the Commission to prescribe rules for the performance of any service furnished or supplied by a utility. Various Commission regulations of which alleged violations are contained in Appendices A and B, set forth requirements for the

operation, maintenance and provision of service by water utilities.

The Commission finds from Appendices A and B that a prima facie showing has been made that Huntsville-South Hill has violated provisions of 807 KAR Chapter 5 by failing to adhere to Commission requirements governing the operation and maintenance of water utilities in compliance with the requirements of Commission regulations.

IT IS THEREFORE ORDERED that:

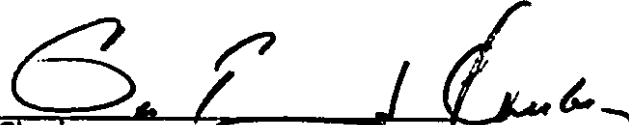
1. Huntsville-South Hill shall by written response to the allegations contained herein show cause why it should not be penalized pursuant to KRS 278.990(1) for failing to comply with 807 KAR Chapter 5 regulations. Said written response shall be filed with the Commission no later than 30 days from the date of this Order.

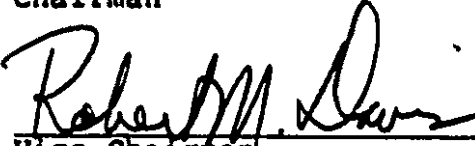
2. Huntsville-South Hill shall appear at an informal conference scheduled for June 12, 1991, at 1:30 p.m., Eastern Daylight Time, in Conference Room 2 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, and shall bring an employee and/or officer familiar with the allegations contained herein.

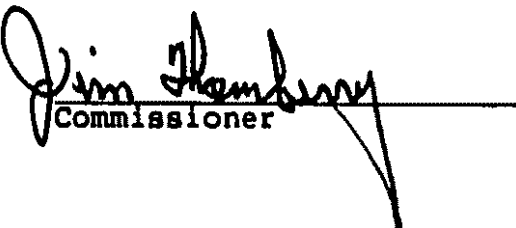
3. Huntsville-South Hill shall appear at a hearing scheduled for June 27, 1991, at 10:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, to show cause, if any it can, why it should not be penalized pursuant to KRS 278.990(1) for failing to comply with Commission regulations.

Done at Frankfort, Kentucky, this 23rd day of May, 1991.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

November 17, 1989

Mr. Rollie Porter, Treasurer  
Huntsville-South Hill Water  
System, Inc.  
General Delivery  
Quality, KY 42268

Dear Mr. Porter:

The Public Service Commission is in receipt of your reply to the August 17, 1989, inspection report. This report listed 7 deficiencies that Huntsville-South Hill Water System, Inc. ("Huntsville-South Hill") was not accomplishing in accordance with Commission's regulations. Huntsville-South Hill replied, in part, "[we have] corrected most of the deficiencies and will have all corrected by the end of [the] year."

The Commission staff needs a more in-depth reply in regard to each of these deficiencies. We are requesting that you take each deficiency and individually describe the method Huntsville-South Hill has corrected the deficiency or what will be done to correct each noted deficiency. A starting date and a completion date should be given for action taken on each deficiency.

Should you have any questions regarding the above, please feel free to call K. Michael Newton at (502) 564-2133.

Sincerely,

*Chasem Paul Ghadami for EBS*

Eddie B. Smith, Manager  
Water & Sewer Branch  
Division of Utility Engineering  
& Services

EBS:KMN:aem

Huntsville-South Hill Water System  
% Rollie Porter  
Quality, Ky. 42268

Public Service Commission  
P. O. Box 615  
Frankfort, Ky. 40602

We have corrected most of the deficiencies and will have all corrected  
by the end of year.



Rollie Porter, Treas.

**RECEIVED**

NOV 10 1989

DIVISION OF UTILITY  
ENGINEERING & SERVICES



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

August 17, 1989

Mr. Rollie Porter  
Treasurer  
Huntsville-South Hill  
Water System, Inc.  
General Delivery  
Quality, KY 42268

Dear Mr. Porter:

On August 9, 1989, a periodic inspection was made of Huntsville-South Hill Water System, Inc., by K. Michael Newton, Utility Investigator with the Public Service Commission. The comments on this inspection have been condensed into a report, which is being sent herewith in the interest of obtaining your response. We would appreciate receiving your response to this report no later than September 29, 1989.

Please feel free to call Mr. Newton at (502) 564-2133 for any clarification you may need on this matter.

Sincerely,

A handwritten signature in cursive script, reading "Claude G. Rhorer, Jr.", written in dark ink.

Claude G. Rhorer, Jr., Director  
Division of Utility Engineering  
& Services

CGR:KMN:aem

Attachment

Commonwealth of Kentucky  
Public Service Commission

**UTILITY INSPECTION REPORT**

Huntsville-South Hill Water System, Inc.  
Butler County, Kentucky

Utility operations, utility maintenance, utility management and their effect on utility services are a primary concern of the Commission and this Division. Our ongoing inspection program is an expression of this concern. During each inspection, I am stressing: (1) the importance of periodic testing of customers' meters, (2) the importance of accounting for all water purchased and/or produced, (3) the need for surveillance of system operations and (4) the significance of good operating records.

The subject inspection was made August 9, 1989. The utility consists of a distribution system operating in Butler County, Kentucky. It has approximately 186 customers on its system. The utility representative providing information and assistance during this inspection was Rollie Porter of the Association.

The Association's facility operations and its office procedures were reviewed for compliance with the Kentucky Revised Statutes (KRS 278) and the Public Service Commission Regulations (807 KAR).

The following deficiencies were noted:

1. The utility is not filing the "Quarterly Meter Report" with the Commission as required in accordance with 807 KAR 5:006, Section 3(2).
2. The utility is not keeping a record of all complaints concerning utility service as required in 807 KAR 5:006, Section 8.



3. The utility does not have a safety program outlined on performance of work, safety methods, occupational hazards and artificial respiration as specified in 807 KAR 5:006, Section 22.
4. The utility has not adopted a procedure for inspection to assure safe and adequate operation of its facilities as required by 807 KAR 5:006, Section 23.
5. The utility is collecting non-recurring charges from customers without Commission approval as required in 807 KAR 5:011, Section 10.
6. The utility is not maintaining a record on interruptions of service to include: cause of interruption, date, time, duration, remedy and steps taken to prevent reoccurrence as required in 807 KAR 5:066, Section 5 (5).
7. The utility has areas in its system where the customer service pressure falls below the 30 psig minimum pressure required by 807 KAR 5:066, Section 6 (1).

The utility has an unsafe condition existing at its water storage tank. The water storage tank's ladder extends to the ground making it readily assessible to anyone. The utility needs to change this practice to prevent climbing by non-utility personnel. The proper method of securing the ladder should be outlined in the utility's safety program in accordance with 807 KAR 5:006, Section 22.

#### Recommendations

A written response should be prepared and forwarded to the Public Service Commission within 30 days of the date of receipt of this report. This response should say what has been done or what

Report - Huntsville-South Hill  
Water System, Inc.  
Page 3

will be done to correct each noted deficiency. A starting date and a completion date should be given for actions that are to be accomplished after the date the response is mailed.

Submitted,  
August 17, 1989



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K. Michael Newton  
Utility Investigator

*ESR*  
*OK*

CGR:KMN:aem



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY 40602  
(502) 564-3940

January 14, 1991

Mr. Rollie Porter, Treasurer  
Huntsville-South Hill Water  
System, Inc.  
General Delivery  
Quality, KY 42268

Dear Mr. Porter:

On November 26, 1990, a periodic inspection was made of Huntsville-South Hill Water System, Inc. by a representative of this Commission. A copy of this report was mailed to you on November 30, 1990, for your review. As of this date we have not received your response.

The failure to make all corrections necessary to bring the facility into compliance with KRS 278 and Commission regulations (807 KAR) may be considered cause for enforcement proceedings to be initiated. If such action becomes necessary, penalties may be imposed against the utility pursuant to KRS 278.990.

Please respond to this report by February 11, 1991, outlining a correction schedule and the related cost of each improvement. If you require any clarification on the recommended improvements, please feel free to call K. Michael Newton at (502) 564-2133.

Sincerely,

*Chasem Paul-Ghasemi* For EBS  
Eddie B. Smith, Manager  
Water & Sewer Branch  
Division of Utility Engineering  
& Services

EBS:KMN:aem



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY 40602  
(502) 564-3940

November 30, 1990

Mr. Rollie Porter  
Treasurer  
Huntsville-South Hill  
Water System, Inc.  
General Delivery  
Quality, KY 42268

Dear Mr. Porter:

On November 26, 1990, a periodic inspection was made of Huntsville-South Hill Water System, Inc. by K. Michael Newton, Utility Investigator with the Public Service Commission. The comments on this inspection have been condensed into a report, which is being sent herewith in the interest of obtaining your response. We would appreciate receiving your response to this report no later than January 2, 1991.

Please feel free to call Mr. Newton at (502) 564-2133 for any clarification you may need on this matter.

Sincerely,

A handwritten signature in cursive script that reads "Eddie B. Smith".

Eddie B. Smith, Manager  
Water & Sewer Branch  
Division of Utility Engineering  
& Services

EBS:KMN:aem  
Attachment

Commonwealth of Kentucky  
Public Service Commission

UTILITY INSPECTION REPORT

Huntsville-South Hill Water System, Inc.  
Quality, Kentucky

Utility operations, utility maintenance, utility management and their effect on utility services are a primary concern of the Commission and this Division. Our ongoing inspection program is an expression of this concern. During each inspection, I am stressing: (1) the importance of periodic testing of customers' meters, (2) the importance of accounting for all water purchased and/or produced, (3) the need for surveillance of system operations and (4) the significance of good operating records.

The subject inspection was made November 26, 1990. The utility consists of a distribution system operating in Butler County, Kentucky. It has approximately 191 customers on its system. The utility representative providing information and assistance during this inspection was Rollie Porter of the Association.

The Association's facility operations and its office procedures were reviewed for compliance with the Kentucky Revised Statutes (KRS 278) and the Public Service Commission Regulations (807 KAR).

The following deficiencies were noted:

1. The utility is not furnishing on a yearly basis a copy of its rate schedule under which the bill is computed in compliance with 807 KAR 5:006, Section 6(1).

2. The utility is not filing the "Quarterly Meter Report" with the Commission as required in accordance with 807 KAR 5:006, Section 3(2).
3. The utility did have meter test cards, however these cards were not arranged in such order as to identify the meter's location and whether this meter was still in the distribution system or had been removed in accordance with 807 KAR 5:006, Section 15(1)(a).
4. The utility did not have meter history cards available for review. Therefore, the utility must verify its history cards by sending sample copies of these records in accordance with 807 KAR 5:006, Section 15(2).
5. The utility's employees are required to enter the customer's property to read meters, however these employees do not wear or carry any utility identification which will verify them as utility employees as specified in 807 KAR 5:006, Section 14.
6. The utility does not have a safety program outlined on performance of work, safety methods, occupational hazards and artificial respiration as specified in 807 KAR 5:006, Section 22.
7. The utility has not adopted a procedure for inspection to assure safe and adequate operation of its facilities as required by 807 KAR 5:006, Section 23.
8. Collection of the utility's bills can be made either by mail or at the Morgantown Bank and Trust. However, the utility does not provide an area in this bank suitable for the public to inspect Huntsville-South Hill's tariffs, rules and regulations, and statutes in accordance with 807 KAR 5:011, Section 12.
9. The utility is not making available for customer review a copy of its rate schedule, description of treated water content, information on meter reading, and a customer billing analysis as required by 807 KAR 5:066, Section 3.

10. The utility is not maintaining a record on interruptions of service to include: cause of interruption, date, time, duration, remedy and steps taken to prevent reoccurrence as required in 807 KAR 5:066, Section 5(5).
11. The utility is not performing nor keeping records of annual pressure surveys as specified by 807 KAR 5:066, Section 6(3).
12. The utility does have a meter test program to test periodically its 5/8" to 1" water meters within Commission's requirements; however the utility is not testing its larger meters periodically so that no meter will remain in service for a period longer than specified in 807 KAR 5:066, Section 17(1).

Recommendations

A written response should be prepared and forwarded to the Public Service Commission within 30 days of the date of receipt of this report. This response should say what has been done or what will be done to correct each noted deficiency. A starting date and a completion date should be given for actions that are to be accomplished after the date the response is mailed.

Submitted,  
November 30, 1990

  
K. Michael Newton  
Utility Investigator

CGR:KMN:aem