

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LEVEE ROAD WATER ASSOCIATION)

ALLEGED VIOLATION OF COMMISSION)
REGULATION 807 KAR 5:066)

) CASE NO. 95-129
)
)
)

ORDER TO SHOW CAUSE

Levee Road Water Association ("Levee"), a water association formed pursuant to the provisions of KRS Chapter 273, owns and operates facilities used for the purpose of furnishing water service to the general public for compensation in Montgomery County, Kentucky, and is, therefore, a utility subject to Commission jurisdiction. KRS 278.010(3)(d); KRS 278.012.

KRS 278.280 authorizes the Commission to prescribe rules for performance of any service furnished or supplied by a utility. Pursuant to this authority, the Commission has promulgated Commission Regulation 807 KAR 5:066, which establishes general rules for the operation of water utilities.

On November 2, 1994, Commission Staff inspected Levee's records and facilities for compliance with Commission regulations. In its report of this inspection, which is appended hereto, Commission Staff listed one instance where the utility failed to comply with Commission regulations.

Having reviewed the report of this inspection and being otherwise sufficiently advised, the Commission finds that a prima

facie showing has been made that Levee is in violation of Commission Regulation 807 KAR 5:066.

The Commission, on its own motion, HEREBY ORDERS that:

1. Levee shall appear before the Commission on June 1, 1995 at 10:00 a.m., Eastern Daylight Time, in Hearing Room 2 of the Commission's offices at 677 Comanche Trail, Frankfort, Kentucky, for the purpose of presenting evidence concerning the alleged violation of Commission Regulation 807 KAR 5:066, and of showing cause why it should not be subject to the penalties prescribed in KRS 278.990(1) for the alleged violation.

2. Levee shall submit to the Commission, within 20 days of the date of this Order, a written response to the allegation contained herein and to the contents of the Inspection Report.

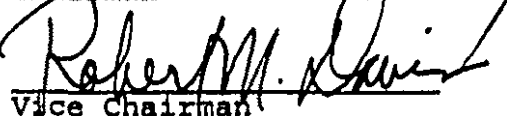
3. The Utility Inspection Report of November 7, 1994, which is appended hereto, is made part of the record of this proceeding.

4. Any motion requesting an informal conference with Commission Staff to consider the simplification of issues or any other matters which may aid in the handling or disposition of this proceeding shall be filed with the Commission no later than 20 days from the date of this Order.

Done at Frankfort, Kentucky, this 5th day of April, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

Commonwealth of Kentucky
Public Service Commission

UTILITY INSPECTION REPORT

Levee Road Water Association, Inc.
Mt. Sterling, 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 2, 1994. The utility consists of a distribution system operating in Montgomery County, Kentucky. It has approximately 508 customers on its system. The utility representatives providing information and assistance during this inspection were Brenda Murphy and Margie Barnett 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).

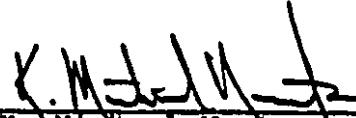
The following deficiency was noted:

1. The utility has approximately 122 meters which need to be tested periodically to be in compliance with 807 KAR 5:066 Sec.16(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 7, 1994



K. Michael Newton
Utility Investigator

CGR:KMN:aem