

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SOUTH WOODFORD COUNTY WATER	)	
DISTRICT	)	
_____	)	CASE NO. 97-037
	)	
ALLEGED FAILURE TO COMPLY WITH	)	
COMMISSION REGULATIONS	)	
807 KAR 5:006, SECTION 7(6), 807	)	
KAR 5:006, SECTION 7(7), 807 KAR	)	
5:006, SECTION 24(1), 807 KAR 5:006,	)	
SECTION 24(3), 807 KAR 5:006,	)	
SECTION 25(1), AND 807 KAR 5:006,	)	
SECTION 25(3)	)	

O R D E R

The South Woodford County Water District ("South Woodford") is a political subdivision of Woodford County, Kentucky, engaged in the distribution of water to the public for compensation and is a utility subject to Commission jurisdiction. KRS 278.015.

On September 17, 1995, the Commission Staff conducted a routine, periodic inspection of South Woodford to determine its compliance with applicable Commission rules and regulations. The results of that inspection, set forth in a 1995 Utility Inspection Report ("1995 Inspection Report"), attached hereto as Appendix A, noted 10 alleged violations of Commission regulations. The 1995 Inspection Report was sent to Woodford County and it responded by stating that each violation noted would be corrected no later than February 28, 1996. A copy of South Woodford's response is attached hereto as Appendix B.

South Woodford was subject to another routine, periodic inspection by the Commission Staff on September 26, 1996. The results of this inspection are set forth in a 1996 Utility Inspection Report ("1996 Inspection Report"), attached hereto as Appendix C, which noted 13 alleged violations of Commission regulations. A review of the 1996 Inspection Report indicates that six of the alleged violations were previously noted in the 1995 Inspection Report. The repeat violations noted in the 1996 Inspection Report include the following:

1. South Woodford is not refunding to the customer or crediting to the customer's bill all interest accrued on deposits on an annual basis as required by 807 KAR 5:006, Section 7(6);
2. South Woodford has not established and included its deposit policy in its filed tariffs as required by 807 KAR 5:006, Section 7(7);
3. South Woodford has not established a safety manual with written guidelines for safe working practices and procedures as required by 807 KAR 5:006, Section 24(1);
4. The safety program adopted by South Woodford does not provide for instruction of its employees in accepted methods of artificial respiration as required by 807 KAR 5:006, Section 24(3);
5. South Woodford has not filed a copy of its inspection procedures with the Commission for review pursuant to 807 KAR 5:006, Section 25(1); and

6. South Woodford is not keeping appropriate records to identify the inspection procedures made, deficiencies found, and action taken to correct the deficiencies as required by 807 KAR 5:006, Section 25(3).

Each of the above-cited regulations was promulgated by the Commission pursuant to KRS 278.280(2) which directs the Commission to prescribe rules and regulations for the performance of any service or the furnishing of any commodity by a utility. In its response to the 1996 Inspection Report, South Woodford did not contest any of the alleged repeat violations and stated that corrective action would be commenced in the near future. South Woodford's response to the 1996 Inspection Report is attached hereto as Appendix D.

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

1. South Woodford shall submit to the Commission, within 20 days of the date of this Order, a written response to each of the alleged repeat violations noted in the 1996 Investigation Report and set forth above.
2. South Woodford shall appear on March 6, 1997, at 10:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, to present evidence concerning the alleged repeat violations of Commission regulations 807 KAR 5:006, Section 7(6), 807 KAR 5:006, Section 7(7), 807 KAR 5:006, Section 24(1), 807 KAR 5:006, Section 24(3), 807 KAR 5:006, Section 25(1), and 807 KAR 5:006, Section 25(3), and to show cause, if any it can, why it should

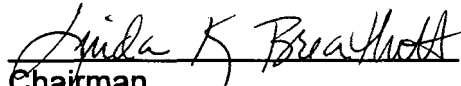
not be subject to the penalties of KRS 278.990 for its alleged repeat violations of the  
aforementioned Commission regulations.

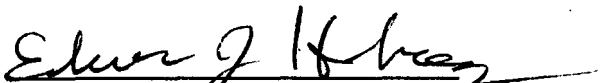
3. The 1995 and 1996 Inspection Reports, and South Woodford's respective  
responses thereto, are hereby made a part of the record in this case.

4. Any requests 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.

Done at Frankfort, Kentucky, this 31st day of January, 1997.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

APPENDIX A

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 97-037 DATED JANUARY 31, 1997

Commonwealth of Kentucky  
Public Service Commission

**UTILITY INSPECTION REPORT**

South Woodford County Water District  
Versailles, 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 September 17, 1995. The utility consists of a distribution system operating in Woodford County, Kentucky. It has approximately 977 customers on its system. The utility representative providing information and assistance during this inspection was George Withers of the District.

The District'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 periodic ("Quarterly") meter report with the Commission as required in accordance with 807 KAR 5:006 Sec.3(2).

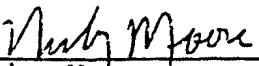

2. The utility is not refunding to the customer or crediting to the customer's bill all interest accrued on deposits on an annual basis as required by 807 KAR 5:006 Sec.7(6).
3. The utility has not established and included its deposit policy in its filed tariffs as required by 807 KAR 5:006 Sec.7(7).
4. The utility has not established a safety manual with written guidelines for safe working practices and procedures as required by 807 KAR 5:006 Sec.24(1).
5. The utility has adopted a safety program; however, this program does not provide for instruction of its employees in accepted methods of artificial respiration in accordance with 807 KAR 5:006 Sec.24(3).
6. The utility has not filed a copy of its inspection procedures with the Commission for review pursuant to 807 KAR 5:006 Sec.25(1).
7. The utility is not keeping appropriate records to identify the inspection procedures made, deficiencies found and action taken to correct the deficiencies pursuant to 807 KAR 5:006 Sec.25(3).
8. The utility is not maintaining a recording pressure gauge in continuous service a minimum of one (1) week per month at a representative point on the utility's mains as required by 807 KAR 5:066 Sec.5(2).
9. The utility's unaccountable water loss exceeds fifteen (15) percent of total water produced and purchased, excluding water used by a utility in its own operations. This is not in compliance with 807 KAR 5:066 Sec.6(3).
10. The utility's flushing devices on some of its dead ends are not sized adequately to provide flows which will give a velocity of at least two and one-half (2.5) feet per second in the water main being flushed as specified by 807 KAR 5:066 Sec.8(2).

Report - South Woodford County  
Water District  
Page 3

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,  
September 22, 1995

  
\_\_\_\_\_  
Nicky Mopre  
Utility Investigator 

NM:aem

APPENDIX B

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 97-037 DATED JANUARY 31, 1997

**South Woodford Water District**

460 Wilson Avenue  
Versailles, Kentucky 40383  
(606) 873-1308

RECEIVED  
JAN 31 1997  
DIVISION OF PUBLIC  
ENGINEERING SERVICES

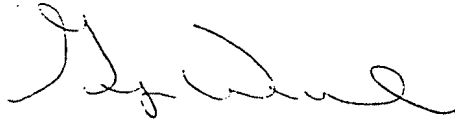
Nicky Moore  
Public Service Commission  
730 Shenkel Lane  
Frankfort, KY. 40601

RE: Utility Inspection Report

Dear Mr. Moore,

Enclosed you will find a copy of our response to the September 17, 1995 inspection of the South Woodford Water District. If you have any questions please feel free to contact me. Office hours are Monday - Friday 8:30 - 4:30.

Sincerely,



George Withers



## South Woodford Water District

460 Wilson Avenue  
Versailles, Kentucky 40383  
(606) 873-1308

Response to September 17, 1995 inspection:

1. The Utility will start filing quarterly reports beginning January 1, 1996.
2. The Utility will refund deposits on an annual basis starting January 1, 1996.
3. The Utility will have a deposit policy by January 15, 1996.
4. The Utility will have a safety manual by January 1, 1996.
5. The Utility has made appointments with Woodford Co. Ambulance Service to start CPR class in November 1995.
6. The Utility will have filed a copy of inspection procedures by February 15, 1996.
7. The utility will have taken action to correct the deficiencies by February 15, 1996.
8. The Utility effective October 1995 will be performing and keeping pressure surveys as requested.
9. The Utility has arranged for the Kentucky Rural Water Association for a water survey to correct the problems with water loss.
10. The Utility will check all flushing devices and any not sized adequately will be fixed no later than February 28, 1996.

APPENDIX C

AN APPENDIX TO AN ORDER OF THE PUBLIC SERVICE  
COMMISSION IN CASE NO. 97-037 DATED JANUARY 31, 1997

Commonwealth of Kentucky  
Public Service Commission

UTILITY INSPECTION REPORT

South Woodford County Water District  
Versailles, 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 September 26, 1996. The utility consists of a distribution system operating in Woodford County, Kentucky. It has approximately 1,004 customers on its system. The utility representative providing information and assistance during this inspection was George Withers of the District.

The District'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 has retained an equal or calculated deposit for more than eighteen (18) months. The utility has not notified its customers in writing that at a customer's request it will recalculate the deposit and refund any over-collection or collect any underpayment pursuant to 807 KAR 5:006 Sec.7(c).

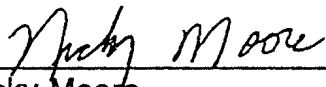
2. The utility does not accrue interest on deposits at the rate prescribed by law, beginning on the date of deposit pursuant to 807 KAR 5:006 Sec.7(6).
3. The utility is not refunding to the customer or crediting to the customer's bill all interest accrued on deposits on an annual basis as required by 807 KAR 5:006 Sec.7(6).
4. The utility has not established and included its deposit policy in its filed tariffs as required by 807 KAR 5:006 Sec.7(7).
5. The utility has not included in its tariffed rules, its bill format as required by 807 KAR 5:006 Sec.6(3).
6. The utility does not have a safety program outlined on performance of work, safety methods, occupational hazards and artificial respiration as specified by 807 KAR 5:006 Sec.24.
7. The utility has not established a safety manual with written guidelines for safe working practices and procedures as required by 807 KAR 5:006 Sec.24(1).
8. The utility has adopted a safety program; however, this program does not provide for instruction of its employees in accepted methods of artificial respiration in accordance with 807 KAR 5:006 Sec.24(3).
9. The utility has not adopted an inspection procedure to assure safe and adequate operation of its facilities as required by 807 KAR 5:006 Sec.25(1).
10. The utility has not filed a copy of its inspection procedures with the Commission for review pursuant to 807 KAR 5:006 Sec.25(1).
11. The utility is not keeping appropriate records to identify the inspection procedures made, deficiencies found and action taken to correct the deficiencies pursuant to 807 KAR 5:006 Sec.25(3).

12. The utility's minimum storage capacity for its distribution system is not equal to the average daily consumption as required by 807 KAR 5:066 Sec.4(4).
13. The utility's unaccountable water loss exceeds fifteen (15) percent of total water produced and purchased, excluding water used by a utility in its own operations. This is not in compliance with 807 KAR 5:066 Sec.6(3).

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,  
October 2, 1996

  
\_\_\_\_\_  
Nicky Moore      *EBT*  
Utility Investigator

NM:aem

APPENDIX D

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 97-037 DATED JANUARY 31, 1997

**South Woodford Water District**

460 Wilson Avenue  
Versailles, Kentucky 40383  
(606) 873-1308

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DIVISION OF UTILITY  
ENGINEERING & SERVICES

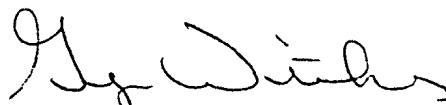
Oct 31, 1996  
Eddie B Smith, Manager  
Water & Sewer Manager  
Division of Utility Engineering & Services

RE: Utility Inspection Report ( 1996 )

Dear Mr. Smith,

Enclosed you will find a copy of our response to the  
September 26, 1996 inspection of the South Woodford Water District.  
If you have any questions please feel free to contact me.  
Office Hours are: Monday - Friday 8:30 - 4:30pm.

Sincerely,



George Withers  
Chairman  
South Woodford Water District

## South Woodford Water District

460 Wilson Avenue  
Versailles, Kentucky 40383  
(606) 873-1308

Response to September 26, 1996 inspection:

- 1) The utility will notify customers in writing concerning the over collection of deposit as pursuant to 807 KAR 5:006 Sec 7 (6) by Feb 28, 1997.
- 2) The utility will begin accruing interest on deposits at the rate prescribed by law by Jan 15, 1997.
- 3) The utility will begin refunding as per 807 KAR 5:006 Sec 7 (6) by Jan 31, 1997.
- 4) The utility is in the process of filing required tariffs as required by 807 KAR 5:006 Sec. 7 (7) This will be completed by Jan 31, 1997.
- 5) The utility will file tariff will bill format (807 KAR 5:006 Sec. 6 (3) ) by Jan 31, 1997. Filed effective Nov 14, 1996
- 6) The utility is in the process of establishing a safety program (807) KAR 5:006 Sec. 24 - to be completed by Feb 28, 1997
- 7) The utility is in the process of adopting a safety manual as per 807 KAR 5:006 Sec 25 (1) - to be completed by Feb 28, 1997.
- 8) The utility is adopting a safety program as per KAR 5:006 Sec. 24 (3) to be completed by Feb 28, 1997.

## South Woodford Water District

460 Wilson Avenue  
Versailles, Kentucky 40383  
(606) 873-1308

9) The utility is adopting an inspection procedure as per 807 KAR 5:006 Sec. 25 (1) to be completed by Feb 28, 1996.

10) The utility will file a copy of its inspections procedures as per 807 KAR 5:006 Sec. 25 (1) to be completed by Feb 28, 1997.

11) The utility will be immediately keeping records as per 807 KAR 5:006 Sec. 25 (3).

12) The utility is in the process of constructing a water storage tank that will give the necessary storage to be completed May 1997.

13) The utility is currently working with KY Rural Water Association & Boyd Utilities to locate leaks or sources for unaccountable water losses.