

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF THE OPERATING	)	
CAPACITY OF MARTIN COUNTY WATER	)	CASE NO. 2016-00142
DISTRICT PURSUANT TO KRS 278.280	)	

ORDER

On April 11, 2016, the Commission entered an Order initiating this investigation of: 1) the deficiencies identified in the Commission Staff's December 12, 2014 Utility Inspection Report ("Inspection Report") of Martin County Water District's ("Martin District") facilities and records; 2) Martin District's compliance with the Required Action plan set forth in Appendix A of the Commission's April 2, 2008 Order in Case No. 2006-00303;<sup>1</sup> and 3) allegations of service quality deficiencies identified by a customer of Martin District, through a complaint to the Commission.<sup>2</sup> The proceedings to date have included multiple rounds of discovery and an informal conference between Commission Staff and Martin District.

The Commission finds that, in order to complete the investigation, a hearing should be held, pursuant to 807 KAR 5:001, Section 9(3), to take evidence on all issues subject to this investigation. Martin District should be prepared to discuss at the hearing all of the issues within the scope of this investigation, including: its responses

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<sup>1</sup> Case No. 2006-00303, *An Investigation into the Management and Operation of Martin County Water District* (Ky. PSC Apr. 2, 2008).

<sup>2</sup> Although the complaint was denied and dismissed by the Commission, the service quality issues raised therein were incorporated into this investigation. Order (Ky. PSC Apr. 11, 2016) at 8.

to the various requests for information; service quality issues; its water loss reduction planning and efforts; its leak reduction planning and efforts, including the prioritization of finding and repairing major leaks, unmetered service and theft of water; its bad-debt expense; and whether it plans to pursue a surcharge to fund a formal water loss reduction plan. We further find that Martin District should provide notice of the hearing to its customers by publication.

IT IS THEREFORE ORDERED that:

1. A hearing for the purpose of taking evidence on the deficiencies identified in the Commission's December 12, 2014 Inspection Report, Martin District's compliance with the Required Action plan set forth in Appendix A of the Commission's April 2, 2008 Order in Case No. 2006-00303, and the allegations of service quality deficiencies in the complaint that was incorporated as Appendix F to the Commission's April 11, 2016 Order in the instant case shall be held on January 18, 2017, at 10:00 a.m. Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.

2. The January 18, 2017 hearing shall be recorded by videotape only.

3. Martin District shall appear at the formal hearing scheduled on January 18, 2017, and shall present witnesses who are prepared to discuss the issues identified in this Order.

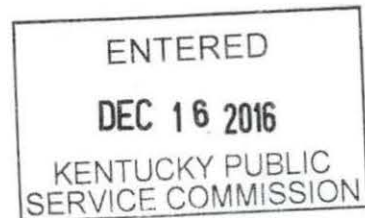
4. Martin District shall file with the Commission, no later than January 11, 2017, a list of witnesses and exhibits to be presented at the January 18, 2017 hearing. Martin District shall provide six copies of any exhibit it intends to introduce into evidence at the hearing.

5. Martin District shall publish notice of the scheduled hearing in accordance with 807 KAR 5:001, Section 9(2)(b), no more than 21 days and no less than seven days before the day of the scheduled hearing in all areas in which it provides water service. In addition, the notice of hearing shall include the following statement: "This hearing will be streamed live and may be viewed on the PSC website, psc.ky.gov."

6. The Commission shall serve a copy of this Order to the Kentucky Division of Water.

By the Commission

Chairman Michael Schmitt did not participate in the deliberations or decision concerning this case.



ATTEST:

  
Executive Director

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