

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

On April 11, 2016, the Commission entered an Order opening this investigation into deficiencies identified in the Commission Staff's December 12, 2014 Utility Inspection Report ("Inspection Report") of Martin District's facilities and records. The investigation also includes 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. 2006-00303¹ and allegations of service quality deficiencies identified by Gary Ball, a customer of Martin District, through his complaint to the Commission.²

The Commission has conducted a public meeting, and four hearings to take evidence on these issues and, in particular, on Martin District's water-loss-reduction planning and efforts, leak-reduction planning and efforts, including the prioritization of finding and repairing major leaks, unmetered service and theft of water, bad debt expense, and whether Martin District plans to pursue a surcharge.³

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

² Order (Ky. PSC Apr. 11, 2016) at 8.

³ Order (Ky. PSC Dec. 16, 2016) at 2.

In order to continue this investigation, the Commission finds that 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 to the 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; its efforts to collect on past-due accounts; its progress in reducing its accounts payable; and the status of the surcharge the Commission recently approved for paying its accounts payable.

We further find that Martin District should provide notice of the hearing to its customers by publication.

IT IS HEREBY ORDERED that:

1. A hearing for the purpose of taking evidence on the issues within the scope of this investigation in the instant case shall be held on May 31, 2018, at 9 a.m. Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.
2. Requests for information to all parties shall be served no later than May 1, 2018.
3. Response to requests for information shall be filed no later than May 17, 2018.

4. a. Responses to requests for information shall be appropriately bound, tabbed, and indexed and shall include the name of the witness responsible for responding to the questions related to the information provided.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. Martin District shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any request to which Martin District refuses to furnish all or part of the requested information, Martin District shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

e. A party filing a paper containing personal information shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

5. The May 31, 2018 hearing shall be recorded by digital video only.

6. Martin District shall appear at the formal hearing scheduled on May 31, 2018, and shall present witnesses who are prepared to discuss the issues within the scope of this proceeding, the topic identified in this Order *supra*, and the information filed into the record through Martin District's responses to requests for information.

7. Martin District shall file with the Commission, no later than May 24, 2018, a list of witnesses and exhibits to be presented at the May 31, 2018 hearing. Martin District shall provide six copies of any exhibit it intends to introduce into evidence at the hearing.

8. 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 7 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."

9. The Commission shall serve a copy of this Order to the Kentucky Division of Water and on the Martin County Judge/Executive.

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By the Commission

ENTERED
APR 20 2018
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director
for Gwen R. Pinson

Case No. 2016-00142

*Brian Cumbo
Attorney at Law
P.O. Box 1844
Inez, KENTUCKY 41224

*Martin County Water District
387 East Main Street, Suite 140
Inez, KY 41224

*Martin County Water District
Martin County Water District
387 East Main Street, Suite 140
Inez, KY 41224

*Mary Cromer
Appalachian Citizens' Law Center, Inc.
317 Main Street
Whitesburg, KENTUCKY 41858