

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC ALLEGED FAILURE OF THE)	
GARRARD COUNTY WATER ASSOCIATION, INC.)	
AND ITS OFFICERS, BILL C. DOOLIN, FELIX)	CASE NO.
REYNOLDS, JENNY LYNN WHITTAKER, ROBERT)	2021-00350
W. BALLARD, GARY W. CLARK, BILL OLIVER,)	
AND SEAN SMITH, TO COMPLY WITH A)	
COMMISSION ORDER, KRS 278.990)	

ORDER

The Commission on its own motion, establishes this proceeding to investigate, The Garrard County Water Association, Inc. (Garrard County Water), and its individual officers, Bill C. Doolin, Felix Reynolds, Jenny Lynn Whittaker, Robert W. Ballard, Gary W. Clark, Bill Oliver, and its manager, Sean Smith, for allegedly failing to comply with the Commission's June 23, 2020 Order in Case No. 2020-00187.¹ The willful failure to comply presents prima facie evidence of incompetency, neglect of duty, gross immorality, or nonfeasance, misfeasance, or malfeasance in office sufficient to make Garrard County Water's officers and manager subject to the penalties of KRS 278.990. The Commission finds that a public hearing should be held on the merits of the allegations set forth in this Order.

¹ Case No. 2020-00187, *Electronic Purchase Water Adjustment for Garrard County Water Association, Inc.* (Ky. PSC June 23, 2020).

LEGAL STANDARD

Under KRS 278.250 and KRS 278.260, the Commission is authorized to investigate and examine the condition of any utility subject to its jurisdiction, including any practice or act relating to the utility service. Under KRS 278.280, if the Commission finds that any practice or act is unjust, unreasonable, unsafe, improper, inadequate, or insufficient, then the Commission has the authority to determine the just, reasonable, safe, proper, adequate, or sufficient practice or method to be observed. Upon a finding that Garrard County Water, its commissioners, or manager violated any provision of KRS Chapter 278, Commission regulations, or a Commission Order, KRS 278.990 authorizes the Commission to assess civil penalties not to exceed \$2,500 for each offense against a utility and against any officer, agent, or employee of a utility who willfully violates any provisions of KRS 278, Commission regulations, or Orders.

DISCUSSION

Garrard County Water was a party to the proceedings in Case No. 2020-00187 and the Commission's June 23, 2020 Order stated that Garrard County Water was to file a general rate case or alternative rate filing within one year of date of that Order. The Commission explained its concern that Garrard County Water has not submitted a general base rate adjustment or alternative rate filing since 1985 and its unaccounted-for water loss exceeding 15 percent, as the basis for ordering Garrard County Water to file a general rate case or alternative rate filing.² As of the date of this filing, Garrard County Water has not filed a general base rate adjustment or alternative rate adjustment to comply with the Commission's Order.

² *Id* at .2-3.

CONCLUSION

The Commission finds that a prima facie case exists that Garrard County Water violated the Commission's June 23, 2020 Order in Case No. 2020-00187.³

The Commission finds that a prima facie case exists in that Garrard County Water officers: Bill C. Doolin, Felix Reynolds, Jenny Lynn Whittaker, Robert W. Ballard, Gary W. Clark, Bill Oliver, and its manager, Sean Smith, an employee of the utility, willfully aided and abetted in the above violation and may be subject to penalties pursuant to KRS 278.990.

IT IS THEREFORE ORDERED that:

1. Garrard County Water; its individual officers, Bill C. Doolin, Felix Reynolds, Jenny Lynn Whittaker, Robert W. Ballard, Gary W. Clark, Bill Oliver; and its manager, Sean Smith, acting in their respective official and individual capacities as officers and employees of Garrard County Water, shall submit to the Commission individual written responses to the allegations contained herein within 20 days of the date of entry of this Order, including but not limited to any, and all written testimony or documentation that would dispute the allegations contained herein.

2. Counsel for the parties shall enter an appearance or appearances within 20 days of the date of entry of this Order.

3. The Commission directs Garrard County Water to the Commission's July 22, 2021 Order in Case No. 2020-00085⁴ regarding filings with the Commission.

³ Case No. 2020-00187, *Electronic Purchased Water Adjustment Filing of Garrard County Water Association, Inc.* (Ky. PSC June 23, 2020).

⁴ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

4. Each response shall include the name of the witness responsible for responding to the questions related to the information provided. 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.

5. 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.

6. Garrard County Water; its individual officers, Bill C. Doolin, Felix Reynolds, Jenny Lynn Whittaker, Robert W. Ballard, Gary W. Clark, Bill Oliver, and its manager, Sean Smith, acting in their respective official and individual capacities; shall appear on January 26, 2022, at 9 a.m. Eastern Standard Time, in the Richard Raff Hearing Room of the Commission's offices at 211 Sower Boulevard in Frankfort, Kentucky, to investigate their alleged failure to comply with the Commission's June 23, 2020 Order.

7. Garrard County Water shall file with the Commission, no later than January 11, 2022, 15 days prior to the hearing, a list of witnesses and exhibits to be presented at the January 26, 2022 hearing. Garrard County Water shall provide copies of any exhibit it intends to introduce into evidence at the hearing via electronic copy to Commission Staff.

8. Garrard County Water shall give notice of the hearing in compliance with 807 KAR 5:001, Section 9(2)(b). 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"; and "Public comments may be made at the beginning of the hearing. Those wishing to make oral public comments may do so by following the instructions listed on the PSC website, psc.ky.gov." At the time the notice is mailed, or publication is requested, Garrard County Water shall forward a duplicate of the notice and request to the Commission.

9. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), a digital video recording shall be made of the hearing.

10. The record of Commission Case No. 2020-00187 is made a part of the record by reference only.

11. Garrard County Judge Executive, John Wilson, shall be served with a copy of this Order.

By the Commission



ATTEST:

A handwritten signature in blue ink that reads "Linda C. Bridwell". The signature is written in a cursive style with a horizontal line underneath it.

Executive Director

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