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August 9, 2019

Ms. Gwen R. Pinson, Esq.  
Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602-0615

**Re: *McCreary County Water District – Revisions to Water Service Tariff***

Dear Ms. Pinson:

McCreary County Water District (“McCreary District”) gives notice of proposed revisions to its Rules and Regulations pertain to water service. Enclosed are proposed revised tariff sheets that amend McCreary District’s rules regarding the discontinuance of water service and cross-connections.

McCreary District’s rules currently permit the discontinuance of water service for a customer’s failure to pay its bill for water service. (See PSC Ky. No. 2, 3rd Revised Sheet No. 8). McCreary District proposes to revise its rules to permit discontinuance of water service for (1) a customer’s failure to pay for sewer service that McCreary District provides; (2) a customer’s failure to follow McCreary District’s rules regarding water service; and (3) a McCreary District sewer customer’s failure to follow McCreary District’s rules regarding sewer service.

Kentucky law permits these proposed revisions. KRS 74.407(3) permits a water district to discontinue water service if a customer is delinquent in the payment of its bill for sewer service. 807 KAR 5:006, Section 15(1)(a), permits discontinuance of a customer’s service for failure to comply with a utility’s tariffed rules. McCreary District believes that this regulation permits the discontinuance of water service not only for a customer’s failure to comply with water service rules, but also for a customer’s failure to comply with sewer service rules if that customer also receives sewer service from McCreary District. If McCreary District is unable to terminate water service to a customer that is failing to comply with its sewer service rules, McCreary District has no effective means to enforce those rules. The Public Service Commission has recognized the difficulty in the enforcement of such rules unless the discontinuance of water service is permitted.<sup>1</sup>

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<sup>1</sup> *An Investigation into the Collection and Billing Practices of Privately-Owned Sewer Utilities*, Administrative Case No. 347 (Ky. PSC Jan. 9, 1995).

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Regarding the proposed Cross-Connection Policy, McCreary District's current tariff for water service prohibits cross-connections. (See PSC Ky. No. 2, Original Sheet No. 15). The enclosed tariff sheets expand on this policy and are intended to provide greater guidance to applicants and customers.

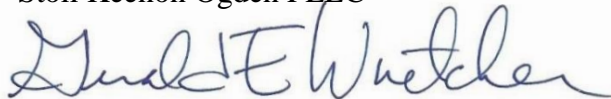
Pursuant to 807 KAR 5:011, Section 11, notice of the proposed tariff revisions was published in *McCreary County Voice* on August 8, 2019 and will be published in the next two consecutive editions of that publication. A copy of the notice has also been posted to McCreary District's website. A copy of the notice is enclosed.

McCreary District proposes that the proposed versions become effective on August 29, 2019, or twenty days from the date of their submission. KRS 278.180 requires that a utility provide the Public Service Commission with notice of any change in its rate schedules at least thirty (30) days prior to its proposed effective date, but permits the Commission to shorten the notice period to twenty (20) days upon a showing of good cause. As the proposed revision related to the termination of water service due to violations of McCreary District's sewer service rules is necessary for the enforcement of its industrial user pre-treatment program and such program must be place no later than September 1, 2019, good cause exists for the shorten notice period.<sup>2</sup>

Please contact me if Commission Staff has any questions regarding the proposed revisions or if additional information is required.

Very truly yours,

Stoll Keenon Ogden PLLC



Gerald E. Wuetcher

GEW

Enclosures

1. Revised Tariff Sheets
2. Notice of Filing

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<sup>2</sup> A more detail explanation in support of this request is contained in McCreary District's submission of proposed revisions to its sewer service tariff, which McCreary District also filed with the Public Service Commission this day. McCreary District incorporates by reference into this letter the explanation set forth in that submission.

AREA McCreary County, Kentucky

PSC KY NO. 1

4<sup>th</sup> Revised SHEET NO. 8

McCreary County Water District

CANCELLING PSC KY NO. 1

3<sup>rd</sup> Revised SHEET NO. 1

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**RULES AND REGULATIONS**

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D. Waste or misuse of water due to improper or imperfect service pipes and/or failure to keep such pipes in a suitable state of repair.

E. Tampering with meter, meter seal, service, or valves, or permitting such tampering by others.

F. Connection, cross-connection, or permitting the same, of any separate water supply to premises which receive water from the District.

G. Non-payment of bills for water service. (T)

H. When a dangerous condition is found to exist on the customer's or applicant's premises, with reference to the continuation of water service, provided the District immediately notifies the customer or applicant of the reasons for the discontinuance or refusal and the corrective action that applicant or customer must taken before service can be restored. (T)

I. Non-payment of bills for sewer service if the District is providing both water and sewer service at the customer's location. (N)

J. Failure to comply with the District's rules and regulation regarding water service. (N)

K. Failure to comply with the District's rules and regulations regarding sewer service if the District is providing both water and sewer service at the customer's location. (N)

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DATE OF ISSUE August 9, 2019  
MONTH / DATE / YEAR

DATE EFFECTIVE August 29, 2019  
MONTH / DATE / YEAR

ISSUED BY /s/Randy Kidd  
SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

AREA McCreary County, Kentucky

PSC KY NO. 1

Original SHEET NO. 21

McCreary County Water District

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

**RULES AND REGULATIONS**

**CROSS-CONNECTIONS**

For purposes of this section

“Auxiliary Water Supply” means any water supply on or available to the premises other than the Water District’s public water supply. These auxiliary waters may include water from any natural source such as a well, spring, river, stream, or body of water or any water or other substance of unknown or questionable quality that may present a health or system hazard to the potable public water supply.

“Backflow” means the reversal of the normal flow of water caused by either back pressure or back siphonage.

“Backflow Prevention Assembly” means an assembly or means designed to prevent backflow. A listing of acceptable backflow prevention assemblies and degree of hazard is available in the Kentucky State Plumbing Law, Regulations and Code.

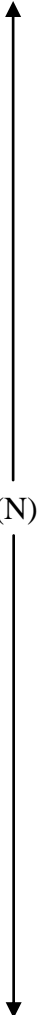
“Contamination” means an impairment of the quality of the potable water supply by any waste product, fluid, substance, compound or other material to a degree which creates an actual or potential hazard to the public health through poisoning or through the spread of disease.

“Cross Connection” means any physical connection or arrangement of piping or fixtures between two otherwise separate piping systems one of which contains potable water and the other non-potable water or substance of questionable quality, through which, or because of which, backflow may occur into the potable water system.

“Non-residential building” means any building not used for habitation.

“Residential Building” means any building used for habitation.

“Thermal Expansion Tank” means a device installed on the cold water supply line near a water heater to compensate for the expansion of water within a water system when such water is heated.



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SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE

COMMISSION IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

AREA McCreary County, Kentucky

PSC KY NO. 1

Original SHEET NO. 22

McCreary County Water District

CANCELLING PSC KY NO. \_\_\_\_\_

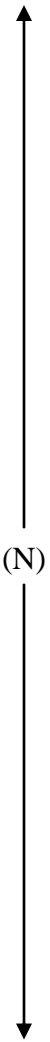
\_\_\_\_\_ SHEET NO. \_\_\_\_\_

**RULES AND REGULATIONS**

No water service connection shall be made or installed to any residential building unless such service connection is protected by a backflow prevention assembly. Residential service connections shall be considered as low hazard applications and all such connections shall have at a minimum a dual check valve backflow preventer installed between the water meter and the residence. The District may require additional or alternate backflow prevention assemblies if the degree of hazard constitutes a higher level of protection for the public water system.

No water service or supply connection shall be installed or permitted to be installed to any non-residential facility unless the water service connection is protected by a backflow prevention assembly. The type of protection device required shall be determined at the time of installation of the service and shall be commensurate with the degree of hazard at the point of such service connection. At a minimum, the service connection shall be installed with a dual check valve backflow preventer. In the event the purpose or use of a non-residential facility changes and the new purpose or change creates a higher degree of hazard, then customer receiving service at the non-residential facility shall replaced the backflow prevention with an assembly that provides acceptable protection.

All water service connections that are in existence as of the effective date of this regulation and lack the minimum backflow prevention assemblies required by this regulation shall become compliant with this regulation's requirements of this regulation within a reasonable period after the property owner has received notice of the service connection's non-compliance. If the Water District determines that a hazard to health exists, then a backflow prevention assembly meeting the requirements of this regulation may be installed on an existing service connection. Backflow prevention assemblies shall not be installed on existing service connections until after the property owner has been informed of the actual and potential hazards that may be created as a result of such backflow assembly installation. Notices provided to such property owners shall include the following: "When cross connection control devices are properly installed, they create a closed water system. A properly sized thermal expansion tank shall be installed in the cold water supply located as near the water heater as possible."



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TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE  
COMMISSION IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

AREA McCreary County, Kentucky

PSC KY NO. 1

Original SHEET NO. 23

McCreary County Water District

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

**RULES AND REGULATIONS**

A customer shall make its water system open for inspection at all reasonable times to authorized representatives of the Water District to determine whether cross connections or other structural or sanitary hazards, including violation of this rule, exist. If the Water District discovers or learns of such condition, it may deny or immediately discontinue service to the facility by providing a physical break in the service line until the customer has corrected the condition in conformance with state and local laws and regulations. Water service to any facility shall be discontinued if the backflow prevention assembly required by this regulation has been removed, bypassed, or if any unprotected cross connection exists on the premises and will not be restored until such conditions or defects are corrected.

The cross-connection of the Water District's system with any auxiliary water supply is prohibited.



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TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE

COMMISSION IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

## NOTICE

On or about August 9, 2019, McCreary County Water District (“McCreary District”) will file revised tariff sheets with the Kentucky Public Service Commission that establish new or revised conditions of service for its provision of water and sewer service and an annual fee for industrial user sewer permits. In this filing, McCreary District proposes:

- A customer’s water service may be terminated for nonpayment of bills for sewer service that McCreary District provides to the same address or for failure to comply with McCreary District’s Rules and Regulations regarding sewer service if McCreary District provides the customer with water and sewer service;
- A water service connection must be protected by a backflow prevention assembly;
- The establishment of a permitting system and general rules for the design, installation, connection and inspection of building sewers that are to be connect to McCreary District’s sewer facilities;
- The establishment of pollutant discharge limits for wastewater discharged into McCreary District’s sewers;
- The establishment of industrial pre-treatment requirements and an industrial user permitting system; and,
- The establishment of an annual fee of \$4,000 for an industrial user permit. (An “industrial user” is an industry identified in the Standard Industrial Classification Manual, Bureau of the Budget, 1967, as amended and supplemented, under the category of "Division D - Manufacturing" and such other classes of significant waste producers that have been designated by regulation by the Administrator of the Environmental Protection Agency.)

McCreary District proposes to place its proposed revisions into effect on August 29, 2019. The proposed revisions are not expected to affect any current customer’s monthly bill.

Any person may examine the proposed tariff sheets at McCreary District’s office at 456 North Hwy 27, Whitley City, Kentucky 42653, Monday through Friday, 8:00 a.m. to 4:00 p.m., or at the Public Service Commission’s offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission’s Web site at <https://psc.ky.gov/trf4/TRFListFilings.aspx?Mode=1>.

Comments regarding the proposed revisions may be submitted to the Public Service Commission by mail to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602 or by e-mail to [psc.tariffs@ky.gov](mailto:psc.tariffs@ky.gov).

The proposed revisions are the rate and conditions of service proposed by McCreary District. However, the Public Service Commission may order rates to be charged and conditions of

service to be observed that differ from those proposed. Such action may result in rates and conditions of service for consumers other than those set forth in this notice.

KRS 278.180 requires McCreary District to provide the Public Service Commission with notice of the proposed revisions at least thirty (30) days prior to their effective date but permits the Public Service Commission to shorten this notice period to twenty (20) days. In its filing, McCreary District has requested that the Public Service Commission shorten this notice period to 20 days.

A person may submit a timely written request for intervention to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the person's status and interest. If the Public Service Commission does not receive a written request for intervention within twenty (20) days of the initial publication of notice, it may take final action on the proposed tariff revisions.

McCreary County Water District  
First Publication Date: August 8, 2019