

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC ALLEGED FAILURE OF BEECH)	
GROVE WATER SYSTEM, INC. AND ITS)	
OFFICERS, NATHAN WARD, CHAD MCMAHON,)	CASE NO.
GREG CHEATHAM, GREG DANT, AND ITS)	2021-00349
MANAGER, SHEILA MURPHY, TO COMPLY WITH)	
A COMMISSION ORDER, KRS 278.990)	

ORDER

The Commission, on its own motion, on October 18, 2021, established this proceeding to investigate Beech Grove Water System, Inc. (Beech Grove Water), and its individual officers, Nathan Ward, Chad McMahon, Greg Cheatham, Greg Dant, and its manager, Sheila Murphy, for allegedly failing to comply with the Commission’s June 9, 2020 Order in Case No. 2020-00156.¹ Beech Grove Water and its individual officers filed responses in the record on October 29, 2021. The responses stated that the manager, Sheila Murphy, overlooked the requirement to file a rate case and the individual officers relied upon Ms. Murphy to advise them of the requirement to file a rate case. Beech Grove Water’s response to the Commission’s October 18, 2021 Order stated that Ms. Murphy has contacted a rate consultant to help the utility file a rate case and that she anticipated approval from the officers at the November 2021 board meeting.

Beech Grove Water’s 2020 Annual Report shows the utility has a negative Cash Basis Income and that water loss has nearly doubled in a year from 15.5 percent in 2019

¹ Case No. 2020-00156, *Electronic Purchased Water Adjustment Filing of Beech Grove Water System, Inc.* (Ky. PSC June 9, 2020).

to 29.4 percent in 2020.² The Commission is concerned about Beech Grove Water's financial state and finds that filing a rate case as soon as possible should be Beech Grove Water's priority. The allegations made in the Commission's October 18, 2021 Order in this matter can be addressed in a rate case filed by Beech Grove Water, and the Commission does not want to delay the filing of rate case. The Commission finds that it is appropriate to suspend proceedings in this case, pending the resolution of an alternative rate filing. The record in this case should be incorporated by reference into that case. A hearing was previously scheduled for January 25, 2022, at 9 a.m. and the Commission finds that it should be canceled, and to be rescheduled when the Commission deems it necessary.

IT IS THEREFORE ORDERED that:

1. This case is held in abeyance.
2. The hearing scheduled for January 25, 2022, at 9 a.m. is canceled.
3. Beech Grove Water shall prioritize filing an application for an alternative rate adjustment to ensure its revenue is sufficient to support adequate and reliable service at the earliest date possible and this case shall be incorporated by reference into that case record.

² *Annual Report of Beech Grove Water, Inc. to the Public Service Commission for the Calendar Year Ended December 31, 2020* (2020 Annual Report) at 16 and 57.

By the Commission

ENTERED
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KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2021-00349

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