

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE INVESTIGATION OF THE WATER)
SERVICE OPERATION OF MR. ROY) CASE NO. 8144
POTTER, ASHCAMP, KENTUCKY)

O R D E R

On January 8, 1981, the Commission received a letter from Attorney Randy G. Clark, Pikeville, Kentucky, requesting the Commission to conduct an investigation of a water system operated by a Mr. Roy Potter, Ashcamp, Kentucky.

The letter stated that Mr. Potter provides water service to 53 people who either reside in the Potter Subdivision or outside the subdivision and, further, that Mr. Potter had increased rates from \$5.00 per month (the initial rate charged) to \$15.00 per month.

A petition containing the signatures of 15 persons receiving water service from Mr. Potter accompanied the letter requesting the Commission to investigate the matter.

The Commission, by letter dated January 19, 1981, advised Mr. Potter that the water service operation appeared to fall within the jurisdiction of the Commission and requested that he inform the Commission of the area served, the number of customers, and the rates charged. No response was received and another letter dated February 5, 1981, was forwarded to Mr. Potter.

On February 12, 1981, the Commission received a letter from Attorney Pamela Todd Robinette, Pikeville, Kentucky, on behalf of Mr. Potter, stating, among other things, that in view of the expense necessary to operate as a public utility, Mr. Potter has no choice but to disconnect all of those persons currently receiving water service.

On February 13, 1981, the Commission issued an Order to Mr. Potter requiring him to show cause, if any he could, why his water service operation should not be subject to the provision of Section 278.010 of the Kentucky Revised Statutes which defines "utility", in part, as "the diverting, developing, pumping, impounding, distributing or furnishing of water to the public, for compensation."

The Commission further ordered Mr. Potter not to increase any rates or disconnect water service to those now receiving service pending the completion of the Commission's investigation and hearings concerning this matter.

The above-styled matter was set for hearing on the 19th day of March, 1981, at 2:30 p.m., Eastern Standard Time, in the Commission's offices in Frankfort, Kentucky. All parties of interest were notified and were given an opportunity to be heard. The Division of Consumer Intervention of the Attorney General's Office was the only party intervening in the matter.

Testimony was given by Mr. Roy Potter, Mr. Percy Elkins, Mr. James Clevinger, Mr. Clyde Gibson and Mr. Lawrence England.

The Commission, after consideration of the evidence of record and being fully advised, is of the opinion and finds that:

1. Mr. Roy Potter, Ashcamp, Kentucky, is operating a water system as defined in Section 278.010 of the Kentucky Revised Statutes, in an area known as Potter Subdivision and environs, and should be subject to the rules and regulations of the Public Service Commission that govern said utility.

2. Mr. Potter should maintain the records of the utility in the manner as prescribed by the National Association of Regulatory Utility Commissioners' ("NARUC") Uniform System of Accounts for Water Utilities, adopted by this Commission.

3. The rate now being charged by Mr. Roy Potter should remain in effect as the rate for service, in that no evidence has been given as to the reasonableness of said rate, which is a flat rate of \$15.00 per month per customer.

IT IS THEREFORE ORDERED that the water system operated by Mr. Roy Potter, Ashcamp, Kentucky in the Potter Subdivision and environs is a water system as defined in Section 278.010 of the Kentucky Revised Statutes and is hereby subject to the jurisdiction of the Public Service Commission of Kentucky.

IT IS FURTHER ORDERED that said water system shall be operated according to the rules and regulations prescribed by the Public Service Commission and that the records of the utility shall be maintained in the manner prescribed by the NARUC Uniform System of Accounts for Water Utilities.

IT IS FURTHER ORDERED that the rate for services shall be a flat rate of \$15.00 per month per customer and shall remain in effect until such time as the utility can provide the necessary

information to determine the reasonableness of another rate.

IT IS FURTHER ORDERED that the utility shall file, within 20 days from the date of this Order, its tariff sheets setting out the rate approved herein and any rules or regulations adopted by the Utility.

Done at Frankfort, Kentucky, this 15th day of June 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Voh
Chairman

Katharine Randall
Vice Chairman

L. M. Karsen
Commissioner

ATTEST:

Secretary