

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

WESTERN FLEMING COUNTY WATER DISTRICT )  
 )  
 ) CASE NO. 93-173  
 )  
----- )  
ALLEGED VIOLATIONS OF COMMISSION )  
REGULATIONS 807 KAR 5:006 AND )  
807 KAR 5:066 )

O R D E R

On May 11, 1993, Western Fleming County Water District ("Western Fleming") was directed to appear before the Commission and show cause why it should not be penalized pursuant to KRS 278.990 for its alleged failure to comply with Commission Regulations 807 KAR 5:006 and 807 KAR 5:066.

Following the commencement of this proceeding, Western Fleming and Commission Staff entered into negotiations to resolve all disputed issues. On October 4, 1993, they executed a Settlement Agreement, which is appended hereto, and submitted it for Commission approval.

In reviewing this Settlement Agreement, the Commission has considered, inter alia, the seriousness of the deficiencies found during the August 28, 1992 inspection, Western Fleming's past efforts to comply with Commission regulations, and Western Fleming's willingness to correct the noted deficiencies.

After reviewing the Settlement Agreement and being otherwise sufficiently advised, the Commission finds that the Settlement

Agreement is in accordance with the law, does not violate any regulatory principle, results in a reasonable resolution of this case, and is in the public interest.

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement, appended hereto, is incorporated into this Order as if fully set forth herein.

2. The terms and conditions set forth in the Settlement Agreement are adopted and approved.

3. Western Fleming is assessed a penalty of \$1500 for its violations of Commission regulations. This penalty is suspended for a period of one year from the date of this Order. If, at the end of that period, Western Fleming has fully complied with the terms of this Settlement Agreement and is in substantial compliance with all Commission regulations, this penalty shall be vacated. If, at any time during that period, Western Fleming has failed to comply with the terms of this Settlement Agreement or fails to substantially comply with any Commission regulation, the penalty shall immediately become due and payable.

Done at Frankfort, Kentucky, this 26th day of October, 1993.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 93-173 DATED 10/26/93COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

OCT 04 1993

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PUBLIC SERVICE  
COMMISSION

WESTERN FLEMING COUNTY WATER DISTRICT )

) CASE NO. 93-173

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ALLEGED VIOLATIONS OF COMMISSION )  
REGULATIONS 807 KAR 5:006 AND )  
807 KAR 5:066 )SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered this 4<sup>th</sup> day of October ~~September~~, 1993, by and between the STAFF OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY ("Commission Staff") and WESTERN FLEMING COUNTY WATER DISTRICT ("Western Fleming").

## W I T N E S S E T H :

THAT, WHEREAS, the Commission Staff issued a Utility Inspection Report dated September 1, 1992 ("Inspection Report") describing the results of an inspection of Western Fleming's facilities and records conducted on August 28, 1992; and

WHEREAS, Commission Staff noted the following deficiencies in its Inspection Report:

1. Western Fleming was not filing periodic meter reports with the Commission - a violation of Commission Regulation 807 KAR 5:006, Section 3(2);
2. Western Fleming was not maintaining a record of all written complaints concerning utility service - a violation of Commission Regulation 807 KAR 5:006, Section 9;
3. Western Fleming was not maintaining an available telephone number - a violation of Commission Regulation 807 KAR 5:006, Section 13(1)(a);

4. Western Fleming was not posting nor maintaining regular business hours nor providing representatives available to assist its customers - a violation of Commission Regulation 807 KAR 5:006, Section 13(1);
5. An unapproved meter testing agency tested Western Fleming's water meters - a violation of Commission Regulation 807 KAR 5:006, Section 16(2);
6. Western Fleming was not maintaining meter records - a violation of Commission Regulation 807 KAR 5:006, Sections 17 (1) and (2);
7. Western Fleming's employees did not wear any distinguishing uniform or other insignia which identified them as an utility employee - a violation of Commission Regulation 807 KAR 5:006, Section 19;
8. Western Fleming had not adopted an inspection procedure to assure safe and adequate operation of its facilities - a violation of Commission Regulation 807 KAR 5:006, Section 25(1);
9. Western Fleming had neither adopted nor executed a safety program appropriate to its operations - a violation of Commission Regulation 807 KAR 5:006, Section 24;
10. Western Fleming's distribution system had areas in which service pressure was below 30 psi - a violation of Commission Regulation 807 KAR 5:066, Section 5(1);
11. Western Fleming was not maintaining a recording pressure gauge in continuous service a minimum of one (1) week per month at a representative point on its mains - a violation of Commission Regulation 807 KAR 5:066, Section 5(2);
12. Western Fleming was not performing nor maintaining records of annual pressure surveys - a violation of Commission Regulation 807 KAR 5:066, Section 5(3);
13. Western Fleming was not flushing dead end mains to maintain water quality - a violation of Commission Regulation 807 KAR 5:066, Section 8(2);
14. Western Fleming was not inspecting customer's lines nor requiring proof of inspection by an appropriate

state or local plumbing inspector - a violation of Commission Regulation 807 KAR 5:066, Section 9(3);

15. Western Fleming had not filed a water shortage response plan with the Commission - a violation of Commission Regulation 807 KAR 5:006, Section 17;

WHEREAS, on May 11, 1993, the Public Service Commission ordered Western Fleming to show cause why it should not be subject to the penalties of KRS 278.990 for its alleged violations of Commission Regulations 807 KAR 5:006 and 807 KAR 5:066; and

WHEREAS, Western Fleming and Commission Staff have agreed to the following factual matters:

1. The deficiencies noted in paragraphs 1, 2, 3, 4, 6, 7, 8, 9, 10, 12, 13, 15, and 16 of the Inspection Report existed at the time of the inspection and currently exist;
2. Afton Dyer of Mid-State Meter and Supply Company, Lexington, Kentucky, who the Public Service Commission has certified as a meter tester (Certification Number: WO-129), currently tests Western Fleming's water meters;
3. Western Fleming's system has areas where a customer's service pressure falls below 30 psi;
4. Western Fleming is currently applying for funding from the Farmers Home Mortgage Administration to correct these pressure problems;
5. Southern Mason County Water District, a wholesale customer, is reducing its purchases from Western Fleming which should partially alleviate these pressure problems;
6. Western Fleming is currently flushing dead end mains twice annually; and

WHEREAS, Western Fleming and Commission Staff desire to settle the issues raised by this proceeding.

NOW, THEREFORE, Western Fleming and Commission Staff agree as follows:

1. Western Fleming shall take the following actions:
  - a. Beginning for the third quarter of 1993, Western Fleming shall timely file periodic meter reports in accordance with Commission Regulation 807 KAR 5:006, Section 3(2);
  - b. Western Fleming shall maintain records of all written complaints received and its response thereto;
  - c. Western Fleming shall maintain a telephone and shall publish its telephone number in all service areas. Publication of the number(s) shall occur no later than June 1, 1994.
  - d. No later than November 15, 1993, Western Fleming shall designate at least one representative to be available to answer customer questions. This representative shall be available during Western Fleming's established working hours not fewer than seven (7) hours per day, one (1) day per week.
  - e. No later than November 15, 1993, Western Fleming shall post and maintain its regular business hours.
  - f. Western Fleming shall maintain meter records in accordance with Commission Regulation 807 KAR 5:006, Section 17. It shall correct, update and reconstruct all existing meter records.
  - g. No later than September 30, 1993, Western Fleming shall provide to its employees and require their wearing of a distinguishing uniform or other insignia to identify them as an utility employee.
  - h. No later than November 15, 1993, Western Fleming shall adopt and file with the Public Service Commission for review inspection procedures to assure safe and adequate operation of its facilities.
  - i. No later than November 15, 1993, Western Fleming shall adopt and execute an appropriate safety program and shall file a copy of this program with the Public Service Commission. At a minimum, this program shall include the establishment of a safety manual with written guidelines for safe working practices and procedures and instruction for employees in the

safe methods for performing their jobs and in the accepted methods of artificial respiration.

j. Western Fleming will maintain a recording pressure gauge in continuous service a minimum of one week per month at a representative point on its mains.

k. Western Fleming will perform and keep records of annual pressure surveys. These surveys will be spread over Western Fleming's distribution system.

l. No later than September 30, 1993, Western Fleming will institute a program for inspection of customer lines as required by Commission Regulation 807 KAR 5:066, Section 9(3).

m. No later than November 15, 1993, Western Fleming shall file with the Public Service Commission a water shortage response plan.

n. No later than June 30, 1994, Western Fleming shall advise the Commission in writing of its efforts to obtain the necessary financing to correct the low pressure problems within its distribution system.

2. The Public Service Commission should assess Western Fleming a penalty of Fifteen Hundred (\$1500) Dollars for its violations of Commission regulations. This penalty should be suspended for a period of one year. If, at the end of one year, Western Fleming has fully complied with the terms of this Settlement Agreement and is in substantial compliance with all Commission regulations, this penalty shall be vacated. If, at any time during that period, Western Fleming fails to comply with the terms of this Settlement Agreement or fails to substantially comply with any Commission regulation, the penalty shall immediately become due and payable.

3. This Agreement is subject to the acceptance of and approval by the Public Service Commission.

4. This Settlement Agreement constitutes full satisfaction of any penalties against Western Fleming arising out of this proceeding.

5. If the Public Service Commission fails to accept and approve this Settlement Agreement in its entirety, this proceeding shall go forward and neither the terms of this Settlement Agreement nor any matters raised during settlement negotiations shall be binding on either signatory.

6. If the Public Service Commission accepts and adopts this Settlement Agreement in its entirety and enters an order in this proceeding to that effect, Western Fleming shall not apply for rehearing in this proceeding nor bring an action for review of that order.

AGREED TO BY:

  
WESTERN FLEMING COUNTY WATER DISTRICT

  
COUNSEL FOR COMMISSION STAFF