COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

EAST CLARK COUNTY WATER DISTRICT	)	
	)	
	)	CASE NO. 93-174
ALLEGED VIOLATIONS OF COMMISSION REGULATIONS 807 KAR 5:006, 807 KAR 5:011, AND 807 KAR 5:066	)	

O R D E R

On May 11, 1993, East Clark County Water District ("East Clark") 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, 807 KAR 5:011, and 807 KAR 5:066.

Following the commencement of this proceeding, East Clark and Commission Staff entered into negotiations to resolve all disputed issues. On October 5, 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 September 29, 1992 inspection, East Clark's past efforts to comply with Commission regulations, and East Clark'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. East Clark 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, East Clark 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, East Clark 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

ATTEST:

Executive Director

Commissioner

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-174 DATED OCTOBER 26, 1993

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EAST CLARK COUNTY WATER DISTRICT	)	
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ALLEGED VIOLATIONS OF COMMISSION REGULATIONS 807 KAR 5:006, 807 KAR 5:011, AND 807 KAR 5:066	)	

SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered this 5th day of ~~September~~ October, 1993, by and between the STAFF OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY ("Commission Staff") and EAST CLARK COUNTY WATER DISTRICT ("East Clark").

W I T N E S S E T H :

THAT, WHEREAS, the Commission Staff issued a Utility Inspection Report dated October 1, 1992 ("Inspection Report") describing the results of an inspection of East Clark's facilities and records conducted on September 29, 1992; and

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

1. East Clark was not filing periodic meter reports with the Commission - a violation of Commission Regulation 807 KAR 5:006, Section 3(2);

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

3. East Clark has not maintained a record of service interruptions - a violation of Commission Regulation 807 KAR 5:066, Section 4(5);

4. East Clark was neither providing a suitable place in its office for the public viewing of utility tariffs, applicable statutes, and laws nor posting a suitable placard on these materials' availability - a violation of Commission Regulation 807 KAR 5:011, Section 12; and

WHEREAS, on May 11, 1993, the Public Service Commission ordered East Clark 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, 807 KAR 5:011, and 807 KAR 5:066; and

WHEREAS, East Clark and Commission Staff have agreed to the following factual matters:

1. The deficiencies noted in paragraphs 1, 2, 3, and 4 of the Inspection Report existed at the time of the inspection;

2. For the period from January 1, 1989 to July 1, 1993, East Clark filed only two of 18 quarterly meter testing reports;

3. Between 1989 and 1993, East Clark did not maintain meter testing records;

4. East Clark is now reconstructing its meter testing records and developing computer software to ensure that all meters are tested and the test results are recorded;

5. Between 1989 and 1993, East Clark did not maintain records of system service interruptions; and

WHEREAS, East Clark and Commission Staff desire to settle the issues raised by this proceeding.

NOW, THEREFORE, East Clark and Commission Staff agree as follows:

1. East Clark shall take the following actions:

   a. Beginning for the third quarter of 1993, East Clark shall timely file periodic meter reports in

accordance with Commission Regulation 807 KAR 5:006, Section 3(2).

b. East Clark 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.

c. No later than November 1, 1993, East Clark shall file with the Public Service Commission a water shortage response plan.

d. East Clark shall maintain a record of system interruptions in accordance with Commission Regulation 807 KAR 5:066, Section 4(5).

e. East Clark shall immediately provide a suitable table or desk in its office and place of business on which shall be available to the public all documents listed in Commission Regulation 807 KAR 5:011, Section 12.

2. The Public Service Commission should assess East Clark 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, East Clark has fully complied with this Settlement Agreement and is in substantial compliance with all Commission regulations, this penalty should be vacated. If, at any time during that period, East Clark fails to comply with the terms of this Settlement Agreement or to substantially comply with any Commission regulation, the penalty shall become due and payable immediately.

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 East Clark 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, East Clark shall not apply for rehearing in this proceeding nor bring an action for review of that order.

AGREED TO BY:

EAST CLARK COUNTY WATER DISTRICT

COUNSEL FOR COMMISSION STAFF