

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SEDALIA WATER DISTRICT)	
)	
_____)	CASE NO.
)	93-177
ALLEGED VIOLATIONS OF COMMISSION)	
REGULATIONS 807 KAR 5:006 AND)	
807 KAR 5:066)	

ORDER TO SHOW CAUSE

Sedalia Water District ("Sedalia"), a water district formed pursuant to the provisions of KRS Chapter 74, owns and operates facilities used for the distribution and furnishing of water to the public for compensation in Graves County, Kentucky, and is therefore a utility subject to Commission jurisdiction. KRS 278.010(3)(d); KRS 278.015.

KRS 278.280 authorizes the Commission to prescribe rules for performance of any service furnished or supplied by a utility. Pursuant to this authority, the Commission has promulgated Commission Regulation 807 KAR 5:006, which establishes general rules for all utility operations, and Commission Regulation 807 KAR 5:066, which establishes general rules for the operation of water utilities.

On July 27, 1992, Commission Staff inspected Sedalia's records and facilities for compliance with Commission regulations. In its report of this inspection, which is appended hereto, Commission

Staff listed nine instances where the utility failed to comply with Commission regulations.

Having reviewed the report of this inspection and being otherwise sufficiently advised, the Commission finds that a prima facie showing has been made that Sedalia is in violation of Commission Regulations 807 KAR 5:006 and 807 KAR 5:066.

The Commission, on its own motion, HEREBY ORDERS that:

1. Sedalia shall appear before the Commission on July 16, 1993, at 10:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, for the purpose of presenting evidence concerning the alleged violations of Commission Regulations 807 KAR 5:006 and 807 KAR 5:066, and of showing cause why it should not be subject to the penalties prescribed in KRS 278.990(1) for these alleged violations.

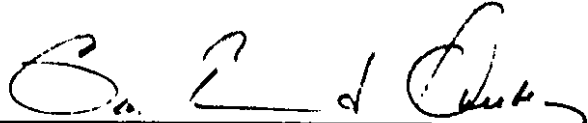
2. Sedalia shall submit to the Commission, within 20 days of the date of this Order, a written response to the allegations contained herein and to the contents of the Inspection Report.


3. The Utility Inspection Report of August 3, 1992, which is appended hereto, is made part of the record of this proceeding.


4. Any motion requesting an informal conference with Commission Staff to consider the simplification of issues or any other matters which may aid in the handling or disposition of this proceeding shall be filed with the Commission no later than 20 days from the date of this Order.

Done at Frankfort, Kentucky, this 11th day of May, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 93-177 DATED MAY 11, 1993

Commonwealth of Kentucky
Public Service Commission

UTILITY INSPECTION REPORT

Sedalia Water District
Sedalia, Kentucky

Utility operations, utility maintenance, utility management and their effect on utility services are a primary concern of the Commission and this Division. Our ongoing inspection program is an expression of this concern. During each inspection, I am stressing: (1) the importance of periodic testing of customers' meters, (2) the importance of accounting for all water purchased and/or produced, (3) the need for surveillance of system operations and (4) the significance of good operating records.

The subject inspection was made July 27, 1992. The utility consists of a treatment plant facility and distribution system operating in Graves County, Kentucky. It has approximately 145 customers on its system. The utility representative providing information and assistance during this inspection was John Boyd of the District.

The District's facility operations and its office procedures were reviewed for compliance with the Kentucky Revised Statutes (KRS 278) and the Public Service Commission Regulations (807 KAR).

The following deficiencies were noted:

1. The utility is not filing the periodic ("Quarterly") meter report with the commission as required in accordance with 807 KAR 5:006, Section 3(2).

2. The utility is not clearly showing on its bill the following information: Present and last preceding meter reading as required by 807 KAR 5:006, Section 6(1).
3. The utility does not accrue interest on deposits at the rate prescribed by law, beginning on the date of deposit pursuant to 807 KAR 5:006, Section 7(6).
4. The utility is not keeping a record of all written complaints concerning utility service as required in 807 KAR 5:006, Section 9.
5. The utility does not publish its telephone number in all service areas to permit all customers to contact the utility without charge as specified in 807 KAR 5:006, Section 13(1a).
6. The utility is having its testing of meters performed by an agency approved by the commission for such purpose. The utility has not notified the commission of said arrangement pursuant to 807 KAR 5:006, Section 16(2).
7. The utility has not established a safety manual with written guidelines for safe working practices and procedures as required by 807 KAR 5:006, Section 24(1).
8. The utility has not filed a copy of its inspection procedures with the commission for review pursuant to 807 KAR 5:006, Section 25(1).
9. The utility is not maintaining a record of interruptions of service for its entire system. This record should include: the cause of interruption; date, time, duration, remedy, and steps taken to prevent recurrence as specified in 807 KAR 5:066, Section 4(5).

Recommendations

A written response should be prepared and forwarded to the Public Service Commission within 30 days of the date of receipt

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of this report. This response should say what has been done or what will be done to correct each noted deficiency. A starting date and a completion date should be given for actions that are to be accomplished after the date the response is mailed.

Submitted,
August 3, 1992



K. Michael Newton 5/29
Utility Investigator

CGR:KMN:aem