

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

HENDERSON COUNTY WATER DISTRICT)
)
)
 _____) CASE NO. 95-128
 ALLEGED VIOLATIONS OF COMMISSION)
 REGULATION 807 KAR 5:006 .)
)

ORDER TO SHOW CAUSE

Henderson County Water District ("Henderson"), 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 Henderson 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.

On September 26, 1994, Commission Staff inspected Henderson's records and facilities for compliance with Commission regulations. In its report of this inspection, which is appended hereto, Commission Staff listed three 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 Henderson is in violation of Commission Regulation 807 KAR 5:006.

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

1. Henderson shall appear before the Commission on May 31, 1995 at 10:00 a.m., Eastern Daylight Time, in Hearing Room 2 of the Commission's offices at 677 Comanche Trail, Frankfort, Kentucky, for the purpose of presenting evidence concerning the alleged violations of Commission Regulation 807 KAR 5:006, and of showing cause why it should not be subject to the penalties prescribed in KRS 278.990(1) for these alleged violations.

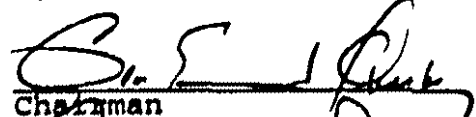
2. Henderson shall submit to the Commission, within 20 days of the date of this Order, a written response to the allegations contained herein and to the contents of the Inspection Report.

3. The Utility Inspection Report of September 29, 1994, 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 5th day of April, 1995.

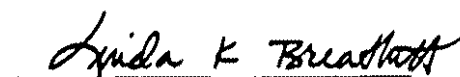
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

Commonwealth of Kentucky
Public Service Commission

UTILITY INSPECTION REPORT

Henderson County Water District
Henderson, 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 September 26, 1994. The utility consists of a distribution system operating in Henderson County, Kentucky. It has approximately 4,800 customers on its system. The utility representative providing information and assistance during this inspection was Allen Van Meter 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 has not filed a copy of its inspection procedures with the Commission for review pursuant to 807 KAR 5:006 Sec.25(1).
2. The utility's written complaints do not contain information on the final adjustment or disposition of the complaint pursuant to 807 KAR 5:006 Sec.9.

3. The utility is not keeping appropriate records to identify the inspection procedures made, deficiencies found and action taken to correct the deficiencies pursuant to 807 KAR 5:006 Sec.25(3).

Recommendations

A written response should be prepared and forwarded to the Public Service Commission within 30 days of the date of receipt 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,
September 29, 1994



K. Michael Newton
Utility Investigator

EPJ

CGR:KMN:aem