

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GOSHEN UTILITIES, INC.)
_____)

ALLEGED FAILURE TO COMPLY WITH)
807 KAR 5:006 and 807 KAR 5:066)

CASE NO. 96-451

O R D E R

On September 17, 1996, the Commission, finding that a prima facie showing had been made that Goshen Utilities, Inc. ("Goshen") was in violation of Commission Regulations 807 KAR 5:006 and 807 KAR 5:066, issued an Order directing Goshen to appear before the Commission at a hearing scheduled for November 6, 1996, for the purpose of showing cause why it should not be subject to the penalties prescribed in KRS 278.990(1) for those alleged violations. Goshen was also directed to file a written response to the allegations.

Goshen filed two written responses. The first, filed September 27, 1996, included a copy of a letter addressed to Commission Staff dated February 9, 1996.¹ This letter responded to a November 7, 1995, inspection of Goshen's facilities by Commission Staff. It was from this inspection that five areas in which Goshen was not in compliance with Commission regulations were identified, leading to the Commission's Order of September 17, 1996.

¹ Commission Staff has no record of having received Goshen's letter of February 9, 1996, prior to September 27, 1996.

As Goshen's first response contained outdated information, Goshen filed a second response on October 21, 1996. This response contained evidence that Goshen was in compliance with 807 KAR 5:006, Section 25(3), and 807 KAR 5:066, Section 5(2), and that it was making an effort to comply with 807 KAR 5:066, Section 16(1). No mention was made regarding its efforts to comply with 807 KAR 5:066, Section 6(3), although Goshen's first response indicated that it intended to replace approximately 5,250 feet of old water line which was expected to improve its unaccounted-for water loss.

It is clear from the responses filed by Goshen on September 27 and October 21 that the utility is attempting to comply with Commission Regulations. While additional information is required, the hearing scheduled for November 6, 1996, should be postponed while the Commission gathers this information.

IT IS THEREFORE ORDERED that:

1. The hearing scheduled in this matter for November 6, 1996, is postponed.
2. Goshen shall file the original and five copies of the following information with the Commission no later than 15 days from the date of this Order. Goshen shall furnish with each response the name of the witness who will be available to respond to questions concerning each item of information requested should the public hearing be rescheduled.
 - a. Regarding 807 KAR 5:006, Section 25(3), Goshen filed water storage, building, and pump station inspection reports for May, June, July, August, and September 1996. Has Goshen instituted a policy for continuing to follow these

inspection procedures and to maintain these inspection reports? If so, explain in detail what this policy is.

b. Regarding 807 KAR 5:066, Section 16(1), Goshen has ordered replacement parts for one of its six-inch meters which, according to Goshen, will enable it to pull the meter currently in place and have it tested for accuracy. Has Goshen instituted a policy for testing its six-inch turbine master meter annually as required? If so, explain in detail what this policy is.

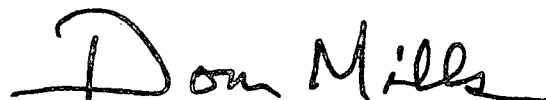
c. Regarding 807 KAR 5:066, Section 5(2), Goshen filed pressure recordings for July, August, and September from three different representative points on its main. Has Goshen instituted a policy for continuing to maintain a pressure recording gauge for a minimum of one week per month in continuous service at some representative point on its main? If so, explain in detail what this policy is.

d. Regarding 807 KAR 5:066, Section 6(3), was the construction approved by the Commission in Case No. 96-140 expected to improve Goshen's unaccounted-for water loss?² If so, what is the current status of that construction? If not, what action is Goshen planning to take in order to improve its unaccounted for water loss?

Done at Frankfort, Kentucky, this 30th day of October, 1996.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Director


For the Commission

² Case No. 96-140, The Application Of Goshen Utilities, Inc. For (i) A Certificate Of Public Convenience And Necessity, (ii) Authorization For Financing Of The Construction Project, And (iii) An Adjustment Of The Rates For Water Service In Oldham County. Final Order issued July 19, 1996.