COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:	
AN INVESTIGATION OF TURNER WATER SYSTEM)
) CASE NO. 96-496
ALLEGED VIOLATION OF KRS CHAPTER 278)))

ORDER

Turner Water System ("Turner") is engaged in the distribution of water to the public for compensation and is subject to the regulatory jurisdiction of this Commission pursuant to KRS 278.040.

On July 10, 1996, a periodic inspection was made of Turner's operations by the Commission's Division of Engineering. Turner's response to the inspection, attached hereto and incorporated herein as Appendix A, was received on August 6, 1996.

According to the report, Turner had increased its flat rate charges to its customers from \$9.00 to \$12.00 per month without approval from the Public Service Commission. The utility is alleged to be making these charges to its customers without Commission approval as required by 807 KAR 5:006, Section 12, and KRS 278.160. Such charges do not appear in Turner's currently effective tariff. Turner's tariffs do not indicate that the subject charges have ever been approved by this Commission.

KRS 278.160 provides:

- (1) Under rules prescribed by the commission, each utility shall file with the commission, within such time and in such form as the commission designates, schedules showing all rates and conditions for service established by it and collected or enforced. The utility shall keep copies of its schedules open to public inspection under such rules as the commission prescribes.
- (2) No utility shall charge, demand, collect or receive from any person a greater or less compensation for any service rendered or to be rendered than that prescribed in its filed schedules, and no person shall receive any service from any utility for a compensation greater or less than that prescribed in such schedules.

The Commission finds that a <u>prima facie</u> showing has been made that Turner has violated KRS 278.160 by charging unauthorized rates and Turner should cease charging any and all rates not specifically approved by this Commission and not specifically contained in its currently effective tariff.

IT IS THEREFORE ORDERED that:

- 1. Turner shall appear at a hearing scheduled for December 20, 1996, at 10:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, and be prepared to show cause why Turner should not be penalized pursuant to KRS 278.990 for its failure to comply with KRS 278.160.
- 2. Turner shall immediately cease charging any rates and special charges not specifically approved by this Commission and reflected in its tariff.
- 3. Turner shall submit a written response to all allegations contained herein within 20 days of the date of this Order.
- 4. Within 20 days of the date of this Order, Turner shall file a list of all unauthorized charges collected and show each individual customer's name and address

from whom each charge was collected, along with any notices which may have been given its customers either by newspaper or any other manner.

Done at Frankfort, Kentucky, this 28th day of October, 1996.

PUBLIC SERVICE COMMISSION

Chairman

Vice Chairman

Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 96-496 DATED October 28, 1996.

AUG 0 6 1996

TOTES & RESEARCH PT Compose ealth of Kentucky Public Service Commission Post office Box 615 G 1 1996 DIVION OF BILLIY Frankfort Ky, 40602 ENERING & SERVICES lear Mr Smith: This letter is in response to the inspection That was made of Turney Water System on July 10TH 1996 by My Mike Newton. In response to his report we will Be Correcting them starting with the rate increase, The rate increase was posted in the newspaper Two months before the increase was made. We also notified each Customer of a Three dollar increase per month effective January 1995. We thought that this was all that was necosary to increase the water. If there are any future increases we well notify the Public Commission In response to Maintaining the maps as required: starting august the 157 1996 and Completed By August 1997. In response to the safety program, we will begin to work on it starting august the 15 and

ending august 1997. Starting August the 157 1996 and ending august 1997, we will adopt a inspection procedure to assure safe and adequate operations of its facilities as required. Beginning august the 15T and ending august 1997 une mill start putting in Outable Measuring devices at each source of the supply which we hope to complete all that is necessary By August 1997. une mile also Begin August the 15T maintaining a record of the quarity of water produced at each source as operafied By august 1997. as we Complete the Measuring device, we will Begin august the 157 1991e getting all lines below ground level as specified and onding august 1997. We Will Bogin august the 15th enlarging the pipes that is necessary and specified By august Dincerely Mr. James F. J Turner Water Syptem 56 Sunny acres, Harlan Ry, 40831 James F Juner