

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

HENRY HESTON LACY)	
)	
COMPLAINANT)	
)	CASE NO.
V.)	2024-00270
)	
MORGAN COUNTY WATER DISTRICT)	
)	
RESPONDENT)	

ORDER

On August 14, 2024, Henry Lacy tendered a formal complaint with the Commission against Morgan County Water District (Morgan District) alleging water over pressurization issues resulting in multiple after-meter leaks and is seeking relief from \$298.22 in water use charges. For the reasons discussed below, the Commission finds that a *prima facie* case has not been established and the Mr. Lacy should be given 30 days to amend the complaint to establish a *prima facie* case or the case should be dismissed.

LEGAL STANDARD

Pursuant to KRS 278.260, the Commission has jurisdiction over complaints regarding rates or service. Commission regulation 807 KAR 5:001, Section 20(1)(c) requires each complaint to state fully, clearly and with reasonable certainty, the act or omission, of which failure to comply is alleged. Furthermore, 807 KAR 5:001, Section 20(4)(a), requires the Commission to examine the complaint to ascertain if the complaint establishes a *prima facie* case that the utility has violated a statute, regulation, tariff, or

order for which the Commission may grant relief. A complaint establishes a *prima facie* case when, on its fact, it states sufficient allegations that, if uncontradicted by other evidence, would entitle the complainant to the requested relief. If a complaint fails to establish a *prima facie* case, it may be dismissed. However, 807 KAR 5:001, Section 20(4)(a)(1) allows a complainant to amend a complaint within a specified time.

COMPLAINT

In the complaint, Mr. Lacy stated that in August and September 2023, he began having water leaks from three cattle water tanks on his rental property.¹ Mr. Lacy stated that he repaired the cattle water tanks, but the tanks continued to have some leakage in all three water tanks. In addition, Mr. Lacy stated that he adjusted the tank's water levels to better regulate leaks as suggested by the tank manufacturer.² Mr. Lacy stated he also continued to have high water bills through December 2023, despite having turned off the cattle water tanks from Morgan District's water source on November 15, 2023.³ Mr. Lacy stated that the only entity utilizing water after November 15, 2023, was the rental house on the property.⁴ Mr. Lacy stated that the typical water bill for the rental house was between \$35 and \$45 per month but the January 2024 bill (for usage between November 27, 2023, and December 15, 2023) was \$243.01.⁵

¹ Complaint (filed Aug. 14, 2024) at 3.

² Complaint at 3.

³ Complaint at 3.

⁴ Complaint at 3.

⁵ Complaint at 3.

In January 2024, Mr. Lacy stated that he found a blown incoming water line under the house.⁶ He stated that every time the line was repaired, another section of the line would burst within inches of the previous repair.⁷ On January 9, 2024, Mr. Lacy stated that he contacted Morgan District for a one-time water usage leak adjustment.⁸ Mr. Lacy stated that when he contacted Morgan District about the adjustment, he was informed by Morgan District's office manager, Chernelle Holbrook, that a water leak had begun in August 2023 and that a service technician was sent out to investigate.⁹ Mr. Lacy stated that he was never notified nor given the findings of the investigation.¹⁰

In February 2024, Mr. Lacy stated he had to make another repair due to a leaking shower faucet.¹¹ On February 6, 2024, Mr. Lacy stated that he requested an extension to the water usage leak due to the water leak extending into the next billing cycle.¹²

In March 2024, Mr. Lacy stated he received the water usage statement for the period of January 18, 2024, through February 17, 2024, and had a high usage of \$164.83.¹³ In early March 2024, the hot water tank pressure relief valve was discovered leaking according to Mr. Lacy.¹⁴ Mr. Lacy stated that he replaced the valve but it

⁶ Complaint at 3.

⁷ Complaint at 3.

⁸ Complaint 3.

⁹ Complaint at 3.

¹⁰ Complaint at 3.

¹¹ Complaint at 3.

¹² Complaint at 3-4.

¹³ Complaint at 4.

¹⁴ Complaint at 4.

continued to leak.¹⁵ Mr. Lacy tested the pressure regulator valve (PRV) and discovered the pressure to be almost 150 psi.¹⁶ Mr. Lacy stated that he contacted Morgan District on March 4, 2024, about a potential faulty PRV. Mr. Lacy stated that Morgan District replaced the PRV as it was faulty and reduced the March statement to \$71.76.¹⁷

Mr. Lacy stated that he met with Shannon Elam (former Morgan District General Manager) on April 30, 2024.¹⁸ Mr. Lacy said that he spoke with Mr. Elam about having to overpay nearly \$500 in water bills due to the faulty PRV, employees not following through with their duties when the leak was detected, not being informed about the leak in August 2023, and the pressure reaching 148 psi in the house. Mr. Lacy alleged that Mr. Elam stated that everything in the house would blow out at 150 psi and that there was not much difference between 148 psi and 150 psi when the pressure should not exceed 50 psi.¹⁹ Mr. Lacy also alleged that Mr. Elam said that Morgan District was no longer responsible once the new PRV was installed on March 4, 2024, that Mr. Lacy had received three water usage adjustments and would not receive any additional adjustments, and that Mr. Elam was not responsible for his office employees not doing their jobs.²⁰ Mr. Lacy also claimed that Mr. Elam said he would contact the Public Service Commission to see if there was anything else he could do but informed Mr. Lacy on June 7, 2024, that the

¹⁵ Complaint at 4.

¹⁶ Complaint at 4.

¹⁷ Complaint at 4.

¹⁸ Complaint at 5.

¹⁹ Complaint at 5.

²⁰ Complaint at 5.

Public Service Commission would not allow Morgan District to adjust the water bills any further.²¹

Mr. Lacy stated that the water usage returned to a normal level until May 2024 and that on June 12, 2024, two additional leaks were discovered.²² Mr. Lacy stated he had the leaks repaired by a plumber and that the plumber said the leaks were caused by the high pressure finding a weakened spot in the solder.²³

Mr. Lacy alleged that Morgan District violated its Monitor Usage/Usage Investigation tariff which states:

The utility at least quarterly monitors the customers usage using its billing report. If a customer usage is unduly high and the deviation cannot be explained the utility shall test the customer's meter to determine if the meter shows an average meter error greater than 2 (two) percent fast or slow. If an investigation of a customer's usage is necessary, the utility will notify the customer by telephone or in person either during or immediately after the investigation of the reasons for the investigation, and of the findings of the investigation.²⁴

Mr. Lacy requested to not be required to pay the account balance of \$298.22 which is the balance owed between April 2024 and July 2024.²⁵

DISCUSSION AND FINDINGS

Having reviewed the records and being otherwise sufficiently advised the Commission finds that Mr. Lacy has not established a *prima facie* case. Mr. Lacy requested to not be required to pay \$298.22 which is the balance of bills from April 2024

²¹ Complaint at 5.

²² Complaint at 6.

²³ Complaint at 6.

²⁴ P.S.C Ky. No. 2, Sheet No. 26 (issued Sept. 13, 2019), effective Oct. 13, 2019.

²⁵ Complaint at 6.

to July 26, 2024. However, in his complaint, Mr. Lacy did not state any allegations of an act or omission by Morgan District between April 2024 and July 26, 2024. Instead, Mr. Lacy made allegations that Morgan District violated its tariff provisions in August 2023 when it failed to notify him of an investigation regarding a possible leak on his property. However, Mr. Lacy did not request any relief for that time period. As stated above, a complaint establishes a *prima facie* case when, on its fact, it states sufficient allegations that, if uncontradicted by other evidence, would entitle the complainant to the requested relief. The relief requested must coincide with the alleged violations for a *prima facie* case to be established. Since the relief sought is for a separate time period where there were no allegations of wrongdoing by Morgan District, the Commission cannot find that a *prima facie* case has been established.

In accordance with 807 KAR 5:001, Section 20(4)(a)(1), the Commission finds that Mr. Lacy should be afforded the opportunity to amend his complaint. The Commission further finds that Mr. Lacy should file an amended complaint within 30 days of the date of service of this Order. Mr. Lacy may file his complaint by U.S. mail or by email to PSCED@ky.gov.

IT IS THEREFORE ORDERED that:

1. Mr. Lacy's complaint is rejected for filing for failing to state a *prima facie* case.
2. Mr. Lacy shall have 30 days from the date of service of this Order to file an amended complaint with the Commission that conforms to the requirements of 807 KAR 5:001, Section 20(1), and that states a *prima facie* case.

3. Mr. Lacy may file his amended complaint with the Commission by U.S. mail to P.O. Box 615, Frankfort, Kentucky 40602-0615, or by email to PSCED@ky.gov. Mr. Lacy shall include the case number 2024-00270, in all filings with the Commission. A copy of this Order shall be served upon Mr. Lacy by certified U.S. mail to 2048 Highway 705, West Liberty, Kentucky 41472.

4. If Mr. Lacy does not file an amended complaint within 30 days from the date of service of this Order, the case will be dismissed and removed from the Commission's docket.

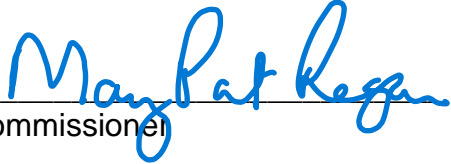
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PUBLIC SERVICE COMMISSION



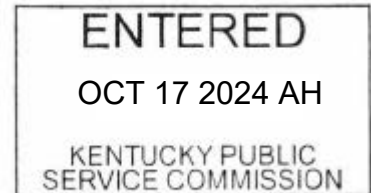
Chairman

Commissioner



Commissioner

Commissioner John Will Stacy did not participate in the deliberations or decision concerning this case.



ATTEST:



Executive Director

Case No. 2024-00270

Henry Heston Lacy
2048 Highway 705
West Liberty, KENTUCKY 41472

*Morgan County Water District
1009 Hwy 172
West Liberty, KY 41472

*Shannon Elam
General Manager
Morgan County Water District
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