

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CANNONSBURG WATER DISTRICT'S)	
UNACCOUNTED-FOR WATER LOSS)	CASE NO.
REDUCTION PLAN, SURCHARGE AND)	2014-00267
MONITORING)	

ORDER

On March 23, 2015, the Commission received Cannonsburg Water District's Motion for Enlargement of Time ("Motion"), in which Cannonsburg Water District requests an additional 90 days to respond to Commission Staff's Second Request for Information to Cannonsburg Water District ("Staff's Second Request"). Staff's Second Request was issued via electronic mail on February 6, 2015, and a response was due within 14 days (February 20, 2015). With its Motion, Cannonsburg Water District filed its responses to Staff's Second Request. Cannonsburg Water District indicates additional responsive information will be available in 90 days.

History

On June 4, 2012, in Case No 2011-00217,¹ the Commission issued an Order authorizing Cannonsburg Water District "to assess a monthly surcharge of \$5.53 on each customer beginning on June 1, 2012 and continuing for a period of 36 months."² The authorization was subject to conditions set forth in ordering paragraphs 5 through

¹ Case No. 2011-00217, *Application of Cannonsburg Water District for (1) Approval of Emergency Rate Relief and (2) Approval of the Increase in Nonrecurring Charges* (Ky. PSC June 4, 2012).

² *Id.* at 9.

13 of the June 4, 2012 Order. Paragraph 5 required Cannonsburg Water District, within 90 days of the June 4, 2012 Order, to file:

[A] comprehensive unaccounted-for water loss reduction plan that identifies the sources of unaccounted-for water loss and the amount of lost water from each source, establishes priorities and a time schedule for eliminating each source of unaccounted-for water, and provides a detailed spending plan for the proceeds of the surcharge.³

Cannonsburg Water District submitted an unaccounted-for water loss reduction plan on September 21, 2012,⁴ that did not meet the requirements of the June 4, 2012 Order. On July 17, 2014, Cannonsburg Water District filed sufficient information for a water loss detection plan. The water loss detection plan will enable Cannonsburg Water District to gather the necessary information to file the comprehensive unaccounted-for water loss reduction plan.

The Commission opened this case and issued an Order on August 7, 2014, approving Cannonsburg Water District's water loss detection plan, which consists of installing ten master meters and 14 bypass meters.⁵ Ordering paragraph 3 of the August 7, 2014 Order required Cannonsburg Water District to file on the fifteenth of each month:

[A] monthly activity report that includes a status update on the meter installation and development of the comprehensive unaccounted-for water loss reduction plan.

For more than three months after the August 7, 2014 Order, Cannonsburg Water District did not file any monthly report regarding a status update on the meter installation

³ *Id.* at 10.

⁴ Letter from Danny R. Clarkston, Manager of Cannonsburg Water District, to Jeff Derouen, Executive Director of the Kentucky Public Service Commission (Sept. 21, 2012).

⁵ Order (Ky. PSC Aug. 7, 2014) at 4.

and development of the comprehensive unaccounted-for water loss reduction plan.⁶ The Commission issued an Order on December 12, 2014, giving Cannonsburg Water District 20 days to file:

[A]n activity report regarding the status of the meter installation and development of the comprehensive unaccounted-for water loss reduction plan.⁷

The Commission again required Cannonsburg Water District to file monthly activity reports by the 15th of each month.⁸ On January 6, 2015, Cannonsburg Water District filed one activity report regarding the status of the meter installation.⁹ This report indicates the meters were installed during November 2014. The responses to Staff's Second Request that Cannonsburg Water District filed with its Motion suffice as a second activity report. Cannonsburg Water District is not filing monthly activity reports regarding its water loss reduction plan and is, therefore, not complying with either the August 7, 2014 Order or the December 12, 2014 Order. Cannonsburg Water District has not provided any explanation for its failure to file the monthly activity reports regarding the water loss reduction plan.

Only through Cannonsburg Water District's response to Staff's Second Request, filed March 23, 2015, did the Commission learn that the ten master meters installed during November 2014 were defective, that Cannonsburg Water District knew in early January 2015 that the meters were defective, and that the defective meters will not be replaced until late April 2015. The purpose of requiring monthly activity reports is for the

⁶ Order (Ky. PSC Dec. 12, 2014) at 5.

⁷ *Id.* at 8.

⁸ *Id.*

⁹ Letter from Danny R. Clarkston, Manager of Cannonsburg Water District, to Jeff Derouen, Executive Director of the Kentucky Public Service Commission (Dec. 29, 2014).

Commission to remain aware of the status and progress of Cannonsburg Water District's water loss reduction plan.

According to Cannonsburg Water District's response to Staff's Second Request, Item 1.b., replacement meters will be installed in late April 2015. In response to Item 1.c.2. of Staff's Second Request, Cannonsburg Water District indicates the initial two months of data to be provided will be for June and July 2015. Cannonsburg Water District fails to indicate why the initial two months would not be May and June if the replacement meters are installed in late April 2015.

Commission Correspondence Via Electronic Mail

In its Motion, Cannonsburg Water District states that:

According to documents retrieved by Counsel, the requests [Staff's Second Request] were e-mailed to Counsel and Cannonsburg along with hard copies being sent to the same.

Cannonsburg Water District further states that neither it nor its counsel received a hard copy of Staff's Second Request. The Commission no longer sends paper copies of documents to utilities. Pursuant to KRS 278.380, amended by the Kentucky General Assembly during the 2014 General Session, electronic delivery of all Kentucky Public Service Commission documents is now allowed. A review of Staff's Second Request clearly indicates an asterisk by the name of the manager of Cannonsburg Water District and an asterisk by the name of the utility's counsel on the service list. The asterisk on the service list "Denotes Served by Email."

Attached to this Order as an Appendix is a copy of the electronic mail containing a link to Staff's Second Request sent to Cannonsburg Water District and its counsel on February 6, 2015.¹⁰ The electronic mail indicates:

Any applicant or party desiring delivery of orders or documents by postal mail may request such delivery on a per case basis from the PSC and demonstrate good cause for the request.

The Commission has no record showing that Cannonsburg Water District or its counsel have requested, demonstrating good cause, delivery of documents by postal mail.

Cannonsburg Water District is required to provide the Commission with Cannonsburg Water District's electronic mail address.¹¹ Pursuant to 807 KAR 5:006, Section 3(2):

The electronic mail address required in subsection (1) of this section shall be to an electronic mail account that the utility accesses at least once weekly and that is capable of receiving electronic mail from external sources and with attachments up to five (5) megabytes in size. Unless a utility otherwise advises the commission in writing, all electronic mail transmissions from the commission to the utility shall be sent to this address.

Enlargement of Time

An enlargement of time for 90 days to provide additional responsive information to Staff's Second Request is not necessary. Pursuant to the Order issued on August 7, 2014, and the Order issued on December 12, 2014, by the fifteenth of each consecutive month, Cannonsburg Water District is to file reports regarding Cannonsburg Water District's water loss reduction plan. Submission of the consecutive monthly reports to

¹⁰ The Commission has no record indicating that the February 6, 2015 electronic mail was not delivered.

¹¹ 807 KAR 5:006, Section 3(1)(c).

the Commission, as required by the August 7, 2014 and December 12, 2014 Orders, will provide the additional responsive information.

Failure to Comply with Orders

The Commission takes note of Cannonsburg Water District's failure to comply with two separate orders to file the monthly activity reports regarding its water loss reduction plan. Continued failure to comply with Commission orders and regulations may result in the initiation of a show cause proceeding.

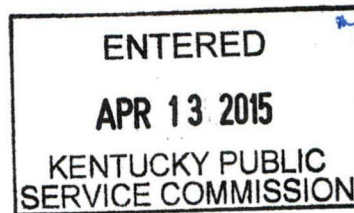
Having reviewed Cannonsburg Water District's March 23, 2015 Motion and responses to Staff's Second Request and being otherwise sufficiently advised, the Commission finds that:

1. Cannonsburg Water District's Motion should be denied as moot.
2. Cannonsburg Water District shall assess the last monthly surcharge during May 2015.
3. Within five days of installation of the replacement meters, Cannonsburg Water District should notify the Commission of the date the replacement meters have been installed.
4. Cannonsburg Water District should begin reading the replacement meters during the reading cycle immediately following their installation.
5. In addition to the surcharge report and water loss report that are currently being filed each consecutive month, beginning with April 2015, Cannonsburg Water District should file a consecutive monthly activity report regarding its water loss reduction plan.

IT IS THEREFORE ORDERED that:

1. Cannonsburg Water District's Motion is denied as moot.
2. Cannonsburg Water District shall assess the last monthly surcharge during May 2015.
3. Within five days of installation of the replacement meters, Cannonsburg Water District shall notify the Commission of the date the replacement meters are installed.
4. Cannonsburg Water District shall begin reading the replacement meters during the reading cycle immediately following their installation.
5. In addition to the surcharge report and water loss report that are currently being filed on the fifteenth of each consecutive month, beginning with April 2015, Cannonsburg Water District shall file a consecutive monthly activity report regarding its water loss reduction plan.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00267 DATED **APR 13 2015**

Mendez, Lisa (PSC)

From: PSCFilings@ky.gov
Sent: Friday, February 06, 2015 1:59 PM
To: danny@cannonsburgwater.com; ksinnette@windstream.net; PSC - Electronic Filings Mailbox
Subject: Item Logged For Case: 2014-00267

Confirmation of Posting.

This notification is sent regarding the recent filing for case# 2014-00267 on 2/6/2015 at 1:59 PM

Filed by: PSC

Date/Time Filed: 2/6/2015 1:59:12 PM

The following Document(s) have been posted to the Case File

Linked below is a document from the Kentucky Public Service Commission from case number 2014-00267. This is an official document and service is rendered based upon this email. Pursuant to KRS 278.380 amended by the Kentucky General Assembly during the 2014 General Session, the electronic delivery of all Kentucky Public Service Commission orders is now allowed. This includes data requests, as well as all other case-related documents. Electronic transmission may include either an electronic version of the order or document or a hyperlink to the order or document on the PSC website. The mailing date of the order or document will be the date of the electronic transmission. Any applicant or party desiring delivery of orders or documents by postal mail may request such delivery on a per case basis from the PSC and demonstrate good cause for the request.

DATA REQUEST File

You are receiving this message as a member of the service list or participating utility on case: 2014-00267 For more information or if you have problems opening a link received through an electronic notice from the Commission, contact the PSC Division of Filings.

Kentucky Public Service Commission
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