

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF THE OPERATING)
CAPACITY OF MARTIN COUNTY WATER) CASE NO. 2016-00142
DISTRICT PURSUANT TO KRS 278.280)

ORDER

On April 11, 2016, the Commission entered an Order opening this investigation into deficiencies identified in the Commission Staff's December 12, 2014 Utility Inspection Report ("Inspection Report") of Martin District's facilities and records. The investigation also includes Martin District's compliance with the Required Action plan set forth in Appendix A of the Commission's April 2, 2008 Order in Case No. 2006-00303¹ and allegations of service quality deficiencies identified by Gary Ball, a customer of Martin District, through his complaint to the Commission.²

The Commission has conducted two hearings to take evidence on these issues and, in particular, on Martin District's water-loss reduction planning and efforts, leak-reduction planning and efforts, including the prioritization of finding and repairing major leaks, unmetered service, and theft of water, bad-debt expense, and whether Martin District plans to pursue a surcharge.³

On July 31, 2017, the Commission entered an Order that, among other things, ordered that a public meeting for the purpose of providing general information about this

¹ Case No. 2006-00303 *An Investigation into the Management and Operation of Martin County Water District* (Ky. PSC Apr. 2, 2008).

² Order (Ky. PSC Apr. 11, 2016) at 8.

³ Order (Ky. PSC Dec. 16, 2016) at 2.

proceeding and the regulation of Martin District, and for taking public comment on Martin District be held on August 29, 2017, in Inez, Kentucky.⁴ The Order requires the commissioners of Martin District, Martin District's general manager of operations, and Martin District's general manager of finance to attend the August 29, 2017 public meeting.⁵ Martin District is also required to secure the attendance of its contractors, Greg Heitzman and Linda Sumpter, CPA, at the August 29, 2017 public meeting.⁶ The July 21, 2017 Order also established that a hearing for the purpose of taking evidence on this issues within the scope of this investigation be held on September 13, 2017, at the Commission's offices in Frankfort, Kentucky.⁷

On August 10, 2017, Martin District filed a motion to reschedule the September 13, 2017 hearing ("Motion"). In support of its Motion, Martin District stated that its counsel is scheduled to be at a conference on September 13, 2017, and that one of its consultants, Greg Heitzman, and the Chairman of the Martin District Board of Commissioners, Bill Harvey, are unavailable on the scheduled date of the hearing.⁸ Martin District's Motion includes information concerning the availability of these individuals during the remainder of September 2017, as well as during October 2017.⁹

The Commission, having considered the Motion, finds that Martin District demonstrates good cause to reschedule the September 13, 2017 hearing. The

⁴ Order (Ky. PSC July 31, 2017) at 3.

⁵ *Id.* at 4.

⁶ *Id.*

⁷ *Id.*

⁸ Motion (filed Aug. 10, 2017) at 1.

⁹ *Id.* at 1 and 2.

Commission finds that the hearing should be rescheduled from September 13, 2017, to October 17, 2017.

The Commission finds that, given the additional time between the public meeting and the hearing, Martin District should file with the Commission, no later than October 3, 2017, a written response to each public comment that is provided at the August 29, 2017 public meeting. For each public comment at the August 29, 2017 public meeting, the written response should state Martin District's position on allegations and suggestions contained in the comment.

IT IS THEREFORE ORDERED that:

1. Martin District's Motion to reschedule the September 13, 2017 hearing is granted.

2. Ordering paragraph 7 of the Commission's July 31, 2017 Order is amended to read as follows:

A hearing for the purpose of taking evidence on the issues within the scope of this investigation in the instant case shall be held on October 17, 2017, at 9:30 a.m. Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.

3. Ordering paragraph 8 of the Commission's July 31, 2017 Order is amended to read as follows:

Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), the record of the formal hearing in this matter shall be by digital video recording.

4. Ordering paragraph 9 of the Commission's July 31, 2017 Order is amended to read as follows:

Martin District shall appear at the formal hearing scheduled on October 17, 2017, and shall present witnesses who are

prepared to discuss the issues within the scope of this proceeding and the information filed into the record through Martin District's response to requests for information.

5. Ordering paragraph 10 of the Commission's July 31, 2017 Order is amended to read as follows:

Martin District shall file with the Commission, no later than October 3, 2017, a list of witnesses and exhibits to be presented at the October 17, 2017 hearing. Martin District shall provide six copies of any exhibit it intends to introduce into evidence at the hearing.

6. All other provisions of the Commission's July 31, 2017 Order not in conflict with this Order shall remain in full force and effect.

7. Martin District shall file with the Commission, no later than October 3, 2017, a written response to each public comment that is provided at the August 29, 2017 public meeting. The written response shall, for each public comment provided at the August 29, 2017, public meeting, state Martin District's position on allegations and suggestions contained in the comment. Martin District shall be prepared to fully discuss, at the October 17, 2017 hearing, the public comments presented at the August 29, 2017 public meeting and its written responses to those comments.

The Commission shall serve a copy of this Order to the Kentucky Division of Water and also on the Martin County Judge/Executive.

By the Commission

Chairman Michael Schmitt did not participate in the deliberations or decision concerning this case.

ENTERED
AUG 23 2017
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Acting Executive Director

Case No. 2016-00142

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