

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION INTO SOUTHERN)	
WATER AND SEWER DISTRICT MANAGER)	CASE NO.
DEAN HALL ALLEGED FAILURE TO COMPLY)	2019-00084
WITH KRS 278.160, KRS 278.170, KRS 278.300,)	
807 KAR 5:066, AND 807 KAR 5:095)	

ORDER

The Commission, on its own motion, establishes this proceeding to conduct a formal investigation into the operation and management of Southern Water and Sewer District (Southern District) by its manager, Dean Hall, and directs him to show cause, if any, why he should not be subject to penalties pursuant to KRS 278.990.

LEGAL STANDARD

Southern District, a water district¹ organized pursuant to KRS Chapter 74, provides water service to approximately 5,399 customers in Floyd and Knott Counties, Kentucky.² It is a utility subject to the Commission's jurisdiction under KRS 278.010(3)(d), KRS 278.015, and KRS 278.040.

¹ The Commission approved the transfer of Southern District's wastewater treatment and collection facilities and portions of its water distribution system, to Prestonsburg City's Utilities Commission in Case No. 2017-00044, *Electronic Joint Application of Southern Water and Sewer District; Prestonsburg City's Utility Commission; and the City of Prestonsburg for an Order Approving the Transfer of Ownership of the Wastewater System and Certain Portions of the Water System of Southern Water and Sewer District* (Ky. PSC May 2, 2017).

² *Annual Report of Southern District to the Public Service Commission for Water Service for the Calendar Year Ended December 31, 2018* (2018 Annual Report) (filed March 6, 2019) at 12 and 48.

KRS 278.250 and KRS 278.260 authorize the Commission to investigate and examine the condition of any utility subject to its jurisdiction, including any practice or act relating to the utility service. KRS 278.280 authorizes the Commission to determine the just, reasonable, safe, proper, adequate, or sufficient practice or act method to be observed if the Commission finds that any practice or act is unjust, unreasonable, unsafe, improper, inadequate, or insufficient.

KRS 74.040 and KRS 72.070 provide that a water district may employ a chief executive officer, who may be designated as the general manager, to carry out the day-to-day business and affairs of the water district. The chief executive officer's statutory duties include ensuring that the water district does not violate any statutes, regulations, or Commission orders.

A water district's chief executive officer can be held accountable for willfully engaging in an act prohibited by a statute, regulation, or Commission Order, or by failing to perform any duty imposed by statutory or regulatory law or Commission Order. KRS 278.990 authorizes the Commission to assess civil penalties not to exceed \$2,500 for each offense or a criminal penalty of imprisonment for not more than six months, or both, against any officer, agent, or employee of a utility who willfully violates any provisions of KRS 278, Commission regulations, or orders.

DISCUSSION

Mr. Hall has been an employee of Southern District and its predecessor entity for 25 years.³ For the past five years, Mr. Hall has been Southern District's general

³ Case No. 2018-00230, *Electronic Application of Southern Water and Sewer District for an Alternative Rate Adjustment*, Jan. 8, 2019 Hearing Video Transcript (HVT) at 3:26:48.

manager.⁴ As general manager, Mr. Hall is Southern District's chief executive officer, as defined by KRS 74.040.

This formal investigation and show cause action has its genesis in Southern District's request for a rate adjustment in Case No. 2018-00230.⁵ The Staff Report filed in that case stated that Southern District had outstanding loans for which it did not obtain Commission approval as required by KRS 278.300; that Southern District reported significant unaccounted-for water loss in excess of the 15 percent limit pursuant to 807 KAR 5:066, Section 6(3); and that Southern District had not complied with its tariff provisions requiring fire departments to file quarterly water usage reports or be assessed a penalty.⁶ The Commission conducted a hearing in Case No. 2018-00230 to investigate the above issues, among other things.⁷ In the course of the the hearing, the Commission identified additional issues pertaining to failure to comply with meter testing regulations and allegations that customers were not being billed for the water they consumed. The Attorney General of the Commonwealth of Kentucky, by and through the Office of Rate Intervention (Attorney General), was a party to Case 2018-00230.

The Commission denied Southern District's request for a rate increase in Case No. 2018-00230, finding that Southern District "demonstrated a lack of candor" and failed to provide required documentation to support its request.⁸ In the final Order in that case, it

⁴ *2014 Annual Report* (filed July 20, 2015) at 4.

⁵ Case No. 2018-00230, Final Order (Ky. PSC Jan. 31, 2019).

⁶ Case No. 2018-00230, Staff Report (filed Oct. 24 2018) at 4 and 9.

⁷ Case No. 2018-00230, Hearing Scheduling Order (Ky. PSC Nov. 5 2018).

⁸ Case No. 2018-00230, Final Order (Ky. PSC Jan. 31, 2019) at 4.

was noted that, as did the Attorney General, the Commission had concerns regarding Southern District's management practices, but did not have statutory authority to arbitrarily reduce rates as a penalty for those poor management practices.⁹

After the final Order was entered in Case No. 2018-00230, the Commission was notified by separate letters dated February 8, 2019, that all of Southern District's then-commissioners had resigned, effective February 1, 2019, and that new commissioners had been appointed.¹⁰ Mr. Hall remains employed as Southern District's general manager.

Mr. Hall's alleged violations of statutory and regulatory law, and Commission Orders, are described below.

1. Violation of 807 KAR 5:066, Section 16(1) – ailure to test meters

807 KAR 5:066, Section 16(1), requires a water utility to test all 1-inch or smaller water meters every ten years so that no meter remains in service without being tested at the required interval. The purpose of meter testing is to ensure the meters are accurate and thus customers are accurately billed for their actual water usage. If a meter runs fast, the customer is overbilled; if a meter runs slowly, the customer is under billed. 807 KAR 5:006, Section 4(4) requires a water utility to file a quarterly report of meter testing.

In the 2017, 2018, and 2019 Periodic Inspections conducted by Commission Inspections Staff, Southern District was cited for violating 807 KAR 5:066, Section 16(1) for failing to test 1-inch and smaller meters that had been in service for ten years or more.

⁹ Case No. 2018-00230, Final Order at 5.

¹⁰ Case No. 2018-00230, Correspondence (filed Feb. 8, 2019).

Quarterly meter test reports filed by Mr. Hall as general manager are evidence that Southern District has not conducted required periodic meter testing since 2014. The quarterly meter test reports signed and filed by Mr. Hall are attached as Appendix B.

In response to the 2017 Periodic Inspection, Mr. Hall explained the non-compliance with testing regulations by stating that Southern District had not conducted meter testing due to a lack of cash flow.¹¹ Mr. Hall further asserted that meters had not been tested in expectation of funding for and installation of radio-read meters.¹² Mr. Hall asserted at the time that, if Southern District did not timely submit a certificate and public convenience necessity (CPCN) for the meters, he would begin testing 10 percent of Southern District's meters on January 1, 2018.¹³ As discussed below, Southern District did not file a CPCN for the meters and Mr. Hall did not initiate meter testing. The 2017 Periodic Inspection Report and related correspondence are attached as Appendix C.

In response to the 2018 Periodic Inspection, Mr. Hall repeated his assertion that Southern District could not test meters due to a lack of cash flow and was pursuing a grant to replace residential meters with radio-read meters.¹⁴ Mr. Hall did not address his failure to begin testing meters on January 1, 2018, as he indicated he would do in his response to the 2017 Periodic Inspection. The 2018 Period Inspection Report and related correspondence are attached as Appendix D.

¹¹ See Appendix C, Correspondence from Dean Hall (Hall Correspondence) (filed July 13, 2017) and Hall Correspondence filed Aug. 21, 2017).

¹² *Id.*

¹³ *Id.*

¹⁴ See Appendix D, Hall Correspondence (filed June 29, 2018).

Similarly, in the 2019 Periodic Inspection report, Southern District was again cited for violating 807 KAR 5:066, Section 16(1) for failing to test water meters. Mr. Hall again informed Commission Staff that Southern District had not performed periodic meter testing while pursuing financing to install radio-read meters.¹⁵ The 2019 Periodic Inspection Report is attached as Appendix E.

At the January 8, 2019 hearing in Case 2018-00230, Mr. Hall testified that he informed Southern District's Board of Commissioners (Board) on several occasions over the last few years that Southern District does not comply with meter testing regulations.¹⁶ Mr. Hall also testified that the Board denied Mr. Hall's requests to pursue the purchase of new meters, citing Southern District's financial position.¹⁷ Contrary to his assertions to the Commission in his responses to Periodic Inspection Reports, Mr. Hall testified that there are no plans to replace the meters.¹⁸

Based on the above, the Commission finds that *prima facie* evidence exists that Southern District has not conducted periodic meter testing required by 807 KAR 5:066, Section 16(1) and that Mr. Hall, in his capacity as manager of Southern District, willfully aided and abetted in violating the water meter testing provisions in 807 KAR 5:066, Section 16(1).

¹⁵ See Appendix E, 2019 Periodic Inspection Report at 16.

¹⁶ Case No. 2018-00230, Jan. 8, 2019 HVT at 2:42:40.

¹⁷ *Id.* at 3:05:25.

¹⁸ *Id.*

2. Violation of 807 KAR 5:066, Section 6(3) – failure to provide adequate and safe service due to water loss

KRS 278.030(2) requires every utility to furnish adequate, efficient, and reasonable service. 807 KAR 5:066, Section 7, requires that a utility's facilities must be operated so as to provide adequate and safe service. One of the mandates for providing adequate and safe services is compliance with 807 KAR 5:066, Section 6(3), which requires that a water district's unaccounted-for water loss not exceed 15 percent of total water produced and purchased, excluding water used in the water district's operations.

Since 2012, Southern District has experienced excessive water loss that has not been remedied. In annual reports filed with the Commission between 2012 and 2017, Southern District reported the following water loss: 44.08 percent for 2012; 41.05 percent for 2013; 39.43 percent for 2014; 42.83 percent for 2015; 42.85 percent for 2016; and 42.17 percent for 2017.¹⁹ In the three most recent monthly reports filed with the Commission, Southern District reported the following water loss percentages: 61.5 percent water loss in September; 61.6 percent water loss in October; and 71.0 percent water loss in November. The monthly water loss reports are attached as Appendix F.

In the 2017, 2018, and 2019 Periodic Inspection Reports, Mr. Hall was directed to formulate and implement a written plan to reduce its excessive water loss. In response to the 2017 Periodic Inspection, Mr. Hall attributed water loss to the age of the system, theft of service, and mountainous terrain, and stated that Southern District planned to

¹⁹ *2012 Annual Report* (filed August 15, 2013); *2013 Annual Report* (filed Oct. 7, 2014) at 61; *2014 Annual Report* (filed July 20, 2015) at 61; *2015 Annual Report* (filed Aug. 3, 2016) at 61; *2016 Annual Report* (filed July 26, 2018) at 56; and *2017 Annual Report* (filed Oct. 9, 2018) at 56.

replace a water main that was a source of excessive water loss, and develop a protocol for water loss prevention.²⁰ One year later, in Case No. 2018-00230, Mr. Hall indicated that the water main replacement project was pending with the Kentucky Infrastructure Authority.

In response to the 2018 Periodic Inspection Report, Mr. Hall again attributed the excessive water loss to the age of the system, theft, and terrain.²¹ Mr. Hall stated that there was “no true way of estimating water loss” that resulted from significant leaks.²² Mr. Hall stated that Southern District would continue to find and fix leaks, and would replace service mains when possible with grant money.²³

In the 2019 Periodic Inspection Report, which was conducted February 21, 2019, Southern District was again cited for failing to provide adequate and safe service to its customers as required by 807 KAR 5:066, Section 7, due to water loss in 2018 of 52.56 percent.

At the formal hearing conducted in Case No. 2018-00230, Mr. Hall testified that Southern District has experienced a substantial reduction in water loss since implementing a leak detection procedure with the assistance of the Kentucky Rural Water Association (KRWA).²⁴ The Commission notes that, despite assurances by Mr. Hall,

²⁰ See Appendix C, Hall Correspondence (filed July 13, 2017) and Hall Correspondence (filed Aug. 21, 2017).

²¹ See Appendix D, Hall Correspondence (filed June 29, 2018).

²² *Id.*

²³ *Id.*

²⁴ *Id.* at 3:47.40.

Southern District did not develop a leak detection standard operating procedure created by KRWA until December 2018.²⁵

The Commission is particularly concerned that Southern District is operating at a deficit, in large part because approximately 50 percent of water produced and distributed by Southern District does not produce revenue. Due to the failure to timely address significant water loss, Southern District incurs expenses to purchase and treat the water that is subsequently unaccounted for. Because of excessive water loss, Southern District experiences lost revenues of approximately \$386,000 annually.²⁶

Based on the above, the Commission finds that *prima facie* evidence exists that Southern District has not provided adequate and safe water service due to its failure to address the significant water loss; and that Mr. Hall, in his capacity as manager of Southern District, willfully aided and abetted in violating provisions 807 KAR 5:066, Section 6(3).

3. Violation of KRS 278.160 and KRS 278.170 – failure to comply with Southern District’s tariff and violation of 807 KAR 5:095, Section 9(1)

KRS 278.160 requires every utility to file and abide by the terms of a tariff, setting forth all rates and conditions for service. KRS 278.170(3) permits a utility to offer free or reduced-rate service for fire protection and training. However, such users must maintain estimates of the amount of water used for fire protection and training and report those monthly. KRS 278.170(4) provides that the Commission may determine any question of

²⁵ Case No. 2018,00230, Southern District’s Response to the Attorney General’s Post-Hearing Request for Information, Item 3; Southern District’s Response to Commission Staff’s Post-Hearing Request for Information (Staff’s Post-Hearing Request), Item 4, Attachment 4.

²⁶ Case No. 2018-00230, Staff Report at 10; Jan. 8, 2019 HVT at 11:55:14.

fact arising under KRS 278.170. Further, 807 KAR 5:095, Section 9(1) requires that a utility that permits a fire department to withdraw water for fire protection and training purposes at no charge must require the fire department to submit quarterly usage reports.

Consistent with statutory and regulatory laws, Southern District's Tariff Sheet No. 1 provides that fire departments may withdraw water for fire protection and training at no charge, provided that the fire department reports the estimated amount of water usage no later than the 15th day of the following calendar month. Southern District's Tariff further provides that a non-reporting user will be billed for estimated water use of 0.3 percent of Southern District's total water sales for the calendar month and also will be assessed a penalty of \$50 for each failure to submit a report.

According to Southern District's Annual Report, it does not receive any revenue from fire protection, which confirms that Southern District provides water for fire protection and training purposes at no cost.²⁷ Southern District reported that it distributes 60,000,000 gallons of water to fire departments. However, as documented in the Staff Report issued in Case No. 2018-00230, Mr. Hall was unable to provide any records of fire department use.²⁸ According to Mr. Hall, the fire protection water usage is calculated by applying a formula, a procedure that is inconsistent with Southern District's tariff.²⁹ Additionally, Southern District was cited in the 2019 Periodic Inspection Report for failure to require fire departments to send in quarterly usage reports.³⁰

²⁷ 2017 Annual Report at 48.

²⁸ Case No. 2018-00230, Staff Report at 9.

²⁹ Case No. 2018-00230, Response to Staff's Post-Hearing Request, Item 14.

³⁰ See Appendix E at 1.

Based on the above, the Commission finds that *prima facie* evidence exists that Mr. Hall violated 278.160, KRS 278.170, 807 KAR 5:095, Section 9(1), and Southern District's tariff, by not requiring fire departments to file quarterly usage reports. Further, an investigation is warranted into whether Mr. Hall violated the terms of Southern District's tariff by failing to ensure that Southern District assesses a civil penalty against fire departments that do not file quarterly water usage reports.

4. Violations of KRS 278.160 and KRS 278.170 – failure to comply with Southern District's tariff by providing water to customers without charging tariff rates

KRS 278.160 requires every utility to file and abide by the terms of a tariff, setting forth all rates and conditions for service. KRS 278.170(1) prohibits a utility from giving an unreasonable preference or advantage to any person. KRS 278.170(2) permits a utility to offer free or reduced rate service to its officers, agents, or employees; to charitable and eleemosynary institutions; and to provide relief in case of flood. KRS 278 170(3) permits a utility to provide free or reduced rate service for the purpose of fighting fires or training firefighters. KRS 278.170(4) provides that the Commission may determine any question of fact arising under KRS 278.170.

The instant question is whether Mr. Hall violated, or aided and abetted violations of KRS 278.160 and KRS 278.170 by providing water to customers without charging the tariffed rates. At the January 8, 2019 hearing, Mr. Hall was questioned about 40 customers in a service area formerly managed by Southern District.³¹ Turner E. Campbell, superintendent and chief executive officer of Prestonsburg City's Utilities

³¹ Case 2018-00230, Jan. 8, 2019 HVT at 3:09:46.

Commission (PCUC), testified that, over several month period, PCUC identified approximately 40 customers in a service area transferred from Southern District to PCUC in 2017 who were receiving free water service, either due to straight hookups³² or because meters were unread and unbilled.³³

Mr. Hall asserted that Southern District was unaware of the allegations made by Mr. Campbell or that any customers were receiving or had received service from Southern District without paying for it.³⁴ Mr. Hall contended that any un-metered customers were the result of theft or unauthorized tapping into water lines.³⁵ Mr. Hall argued that PCUC found the customers in question within a few months due to their higher staffing levels, and that Southern District rarely performed work in the area in question and therefore did not discover the situation in the years that it provided service there.³⁶

Based on the above, an investigation is warranted into whether Mr. Hall knowingly provided and is providing water to customers without properly billing the customers at tariff rates. Additional support for an investigation comes through public comments regarding unread meters filed by Southern District ratepayers in Case No. 2018-00230, questioning at the January 8, 2019 hearing regarding Southern District providing free water to businesses in exchange for services,³⁷ and testimony from a representative of

³² Straight hookups are illegal hookups to a water system that bypass the water meter, and thus are not billed.

³³ Case No. 2018-00230, Jan. 8, 2019 HVT at 9:59:20.

³⁴ Case No. 2018-00230, Southern District's Response to Staff's Post-Hearing Request, Item 2; Case No. 2018-00230, Jan. 8, 2019 HVT at 3:10:10.

³⁵ Jan. 8, 2019 HVT at 3:10:10.

³⁶ Jan. 8, 2019 HVT at 3:10:10.

³⁷ Case No. 2018-00230, Jan. 8, 2019 HVT at 2:57:11 and 3:13:16.

KRWA, describing testing he conducted on the Souther District system that led him to suspect that meter readers are not reading all meters or that meters may not be in place for each customer account.³⁸

5. Violation of KRS 278.300 – failure to obtain Commission approval prior to issuing evidences of indebtedness or assuming an obligation.

KRS 278.300(1) prohibits a utility from issuing evidences of indebtedness or assuming any obligation or liability until it has been authorized to do so by the Commission.³⁹

During its work in Case No. 2018-00230, Staff discovered that Mr. Hall executed two loans on behalf of Southern District that may have violated KRS 278.300. The first loan was a two-year \$41,355 loan from Citizens National Bank executed on June 9, 2015 (2015 Loan), with a maturity date of June 9, 2017, to purchase a 2015 John Deere excavator.⁴⁰ Mr. Hall executed the 2015 Loan promissory note in his capacity as manager of Southern District. Because balloon payments on the 2015 Loan were due, Southern District entered into a change-in-terms agreement on June 14, 2017 (2017 Change-in-Terms Agreement) that retained the loan origination date, but extended the maturity date to August 9, 2019, with a principal amount of \$22,434.72, which reflected payments made on the original principal amount of \$41,355, and a higher interest rate than the two-year

³⁸ Case No. 2018-00230, Public Comments (filed July 23, 2018 and August 1, 2018); Jan. 8, 2019 HVT at 5:23:00.

³⁹ The two exceptions to this requirements are notes payable of two years or less or renewals of such notes that do not exceed an aggregate of six years, and evidences of indebtedness subject to control of a federal government agency do not require Commission approval are inapplicable here.

⁴⁰ *Id.*; Kentucky Secretary of State UCC Financing Statement 2015-2772214-83 (filed June 16, 2015); <https://app.sos.ky.gov/uccscans/14/2015-2772214-83-1177146-U-20150616-pu.pdf>.

loan. Mr. Hall executed the 2017 Change-in-Terms Agreement in his capacity as manager of Southern District.

KRS 278.300(8) creates an exception that permits a utility to issue a note without prior approval of the Commission provided that the note is payable at a period of not more than two years or if the note is issued to pay or refund in whole or in part any such notes, or to renew such notes, with renewals not to exceed an aggregate of six years from date of the issue of the original note. However, the facts presented regarding the 2015 Loan and 2017 Change-in-Terms Agreement create the appearance that Mr. Hall had an improper intent in regard to complying with KRS 278.300.

For these reasons, the Commission finds that an investigation is warranted to determine whether Mr. Hall violated KRS 278.300 by entering into the 2015 Loan and 2017 Change-in-Terms Agreement without prior approval by the Commission.

FINDINGS

The Commission finds that *prima facie* evidence exists that Dean Hall, acting in his capacity as chief executive officer for Southern District, willfully failed to comply with statutory and regulatory laws, as set forth in the above discussion, . The Commission further finds that a formal investigation should be conducted as to whether Mr. Hall violated statutory and regulatory laws by providing water without charging tariffed rates and entering into an evidence of indebtedness without prior Commission approval. Finally, the Commission finds that the record from Case No. 2018-00230 should be incorporated by reference into the record of the instant case.

IT IS THEREFORE ORDERED that:

1. This proceeding is initiated to investigate the operation and management of Southern District by Manager Dean Hall, as set forth in this Order.

2. Dean Hall, Southern District Manager, shall appear on Wednesday, May 8, 2019, at 9:00 a.m. Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, for the purpose of showing cause why he should not be subjected to the penalties of KRS 278.990 for his failure to comply with KRS 278.160; KRS 278.170; 807 KAR 5:066, Sections 6(3) and 16(1); and 807 KAR 5:095, Section 9(1); and for the purpose of investigating issues related to potential violations of KRS 278.160 and KRS 278.170 for allegedly providing water to customers without charging tariffed rates; and KRS 278.300 for allegedly entering into evidences of indebtedness without prior Commission approval.

3. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), a digital video recording shall be made of the hearing.

4. Dean Hall shall submit to the Commission a written response to the allegations contained in this Order within 20 days of the date of entry of this Order.

5. Dean Hall is to file with the Commission the original in paper medium and an electronic version of the information requested in Appendix A to this Order. The information requested is due within 20 days of the date of the entry of this Order.

a. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable and shall be appropriately bookmarked.

b. Each response shall include the name of the witness responsible for responding to the questions related to the information provided, with copies to all parties of record and the original in paper medium and an electronic version filed with the Commission.

c. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

d. Dean Hall shall make timely amendment to any prior response if it obtains information that indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

e. For any request to which Dean Hall fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

f. Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

g. When filing a paper containing personal information, Dean Hall shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

6. Any party filing a paper with the commission shall file an electronic copy in accordance with the electronic filing procedures set forth in 807 KAR 5:001, Section 8, and shall also file the original in paper medium with the Commission.

7. Pursuant to 807 KAR 5:001, Section 8(9), within seven days of entry of this Order, Dean Hall shall file a written statement with the Commission that:

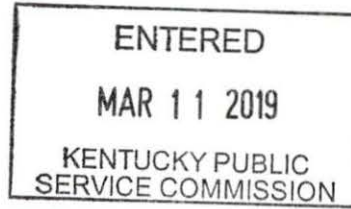
a. Certifies that he possesses the facilities to receive electronic transmissions; and

b. Sets forth the electronic mail address to which all electronic notices and messages related to this proceeding should be served.

8. The record in Case No. 2018-00230 is incorporated by reference into this proceeding.

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By the Commission



ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2019-00084 DATED **MAR 11 2019**

1. Provide copies of all documents that evidence Southern District collected penalties from fire departments that failed to provide quarterly water usage reports between January 1, 2015, and the date of entry of this Order.
2. Provide copies of all documents that evidence Champs' Country Cooking's water usage between January 1, 2015, and the date of entry of this Order.
3. Provide copies of all documents that evidence payment received from Champs' Country Cooking for water usage between January 1, 2015, and the date of entry of this Order.

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2019-00084 DATED **MAR 11 2019**

(SIXTEEN PAGES TO FOLLOW)

**QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION**

Eng.

GENERAL INFORMATION

NAME OF UTILITY	SOUTHERN WATER & SEWER DISTRICT	QUARTER	4TH
ADDRESS	245 KY RT 680	TEST YEAR	2014
	PO BOX 610		
CITY, STATE, ZIP	MCDOWELL, KY 41647	DATE SUBMITTED	January 7, 2015

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	6698	0	6698
COMMERCIAL	100	0	100
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	6798	0	6798

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR (TO DATE)	0
METERS STILL TO TEST THIS YEAR	0

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN ±2%	> 2% FAST	> 2% SLOW	NR*		
NEW - 5 YEARS	0	0	0	0	0	0
5 - 8 YEARS	0	0	0	0	0	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	0	0	0	0	0	0
TOTALS	0	0	0	0	0	0
PERCENT	100.00%				100.00%	0.00%

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	0
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTER	6
TOTAL METERS TESTED THIS QUARTER	0
UTILITY OR APPROVED AGENCY DOING METER TESTING	CI THORNBURG
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	0
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	\$0.00
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	\$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	\$0.00

METER TESTING INFORMATION APPROVED BY:

SIGNED
TITLE

Dean M Hall
Manager

CUSTOMER & REFUND INFORMATION APPROVED BY:

SIGNED
TITLE

**QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION**

RECEIVED

JUN 22 2015

GENERAL INFORMATION

NAME OF UTILITY	<u>SOUTHERN WATER & SEWER DISTRICT</u>	QUARTER	<u>1ST</u>
ADDRESS	<u>245 KY RT 680</u>	TEST YEAR	<u>2015</u>
	<u>PO BOX 610</u>		
CITY, STATE, ZIP	<u>MCDOWELL, KY 41647</u>	DATE SUBMITTED	<u>July 19, 2015</u>

PUBLIC SERVICE
COMMISSION

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	6655	0	6655
COMMERCIAL	153	0	153
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	6808	0	6808

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR (TO DATE)	0
METERS STILL TO TEST THIS YEAR	0

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN ±2%	> 2% FAST	> 2% SLOW	NR*		
NEW - 5 YEARS	0	0	0	0	0	0
5 - 8 YEARS	0	0	0	0	0	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	0	0	0	0	0	0
TOTALS	0	0	0	0	0	0
PERCENT						

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	0
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTER	5
TOTAL METERS TESTED THIS QUARTER	0
UTILITY OR APPROVED AGENCY DOING METER TESTING	CI THORNBURG
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	0
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	\$0.00
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	\$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	\$0.00

METER TESTING INFORMATION APPROVED BY:

CUSTOMER & REFUND INFORMATION APPROVED BY:

SIGNED *Dean M Hall*
TITLE *Manager*

SIGNED _____
TITLE _____

**QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION**

JUL 10 2015

PUBLIC SERVICE
COMMISSION

GENERAL INFORMATION

NAME OF UTILITY	<u>SOUTHERN WATER & SEWER DISTRICT</u>	QUARTER	<u>2nd</u>
ADDRESS	<u>245 KY RT 680</u>	TEST YEAR	<u>2015</u>
	<u>PO BOX 610</u>		
CITY, STATE, ZIP	<u>MCDOWELL, KY 41647</u>	DATE SUBMITTED	<u>July 7, 2015</u>

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	6742	0	6742
COMMERCIAL	152	0	152
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	6894	0	6894

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR (TO DATE)	0
METERS STILL TO TEST THIS YEAR	0

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN ±2%	> 2% FAST	> 2% SLOW	NR*		
NEW - 5 YEARS	0	0	0	0	0	0
5 - 8 YEARS	0	0	0	0	0	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	0	0	0	0	0	0
TOTALS	0	0	0	0	0	0
PERCENT	0.00%	0.00%	0.00%	0.00%		

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	2
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTER	10
TOTAL METERS TESTED THIS QUARTER	2
UTILITY OR APPROVED AGENCY DOING METER TESTING	CI THORNBURG
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	0
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	\$0.00
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	\$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	\$0.00

METER TESTING INFORMATION APPROVED BY:

SIGNED
TITLE

Dean M Hall
Manager

CUSTOMER & REFUND INFORMATION APPROVED BY:

SIGNED
TITLE

**QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION**

GENERAL INFORMATION

NAME OF UTILITY	<u>SOUTHERN WATER & SEWER DISTRICT</u>	QUARTER	<u>3rd</u>
ADDRESS	<u>245 KY RT 680</u>	TEST YEAR	<u>2015</u>
	<u>PO BOX 610</u>		
CITY, STATE, ZIP	<u>MCDOWELL, KY 41647</u>	DATE SUBMITTED	<u>January 14, 2016</u>

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	6591	0	6591
COMMERCIAL	152	0	152
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	6743	0	6743

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR (TO DATE)	0
METERS STILL TO TEST THIS YEAR	0

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN ±2%	> 2% FAST	> 2% SLOW	NR*		
NEW - 5 YEARS	0	0	0	0	0	0
5 - 8 YEARS	0	0	0	0	0	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	0	0	0	0	0	0
TOTALS	0	0	0	0	0	0
PERCENT						

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	0
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTER	6
TOTAL METERS TESTED THIS QUARTER	0
UTILITY OR APPROVED AGENCY DOING METER TESTING	CI THORNBURG
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	0
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	\$0.00
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	\$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	\$0.00

METER TESTING INFORMATION APPROVED BY:

SIGNED
TITLE

Dean M Hall
Manager

CUSTOMER & REFUND INFORMATION APPROVED BY:

SIGNED
TITLE

~~XXXXXXXXXX METER REPORT~~
TO THE KENTUCKY PUBLIC SERVICE COMMISSION

GENERAL INFORMATION

NAME OF UTILITY	<u>SOUTHERN WATER & SEWER DISTRICT</u>	QUARTER	<u>4th</u>
ADDRESS	<u>245 KY RT 680</u>	TEST YEAR	<u>2015</u>
	<u>PO BOX 610</u>		
CITY, STATE, ZIP	<u>MCDOWELL, KY 41647</u>	DATE SUBMITTED	<u>January 14, 2016</u>

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	6475	0	6475
COMMERCIAL	152	0	152
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	<i>6627</i>	0	<i>6627</i>

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR (TO DATE)	0
METERS STILL TO TEST THIS YEAR	0

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN ±2%	> 2% FAST	> 2% SLOW	NR*		
NEW - 5 YEARS	0	0	0	0	0	0
5 - 8 YEARS	0	0	0	0	0	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	0	0	0	0	0	0
TOTALS	0	0	0	0	0	0
PERCENT						

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	0
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTER	8
TOTAL METERS TESTED THIS QUARTER	0
UTILITY OR APPROVED AGENCY DOING METER TESTING	CI THORNBURG
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	0
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	\$0.00
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	\$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	\$0.00

METER TESTING INFORMATION APPROVED BY:

CUSTOMER & REFUND INFORMATION APPROVED BY:

SIGNED
TITLE

Dean M Hall
Manager

SIGNED
TITLE

**QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION**

GENERAL INFORMATION

NAME OF UTILITY	<u>SOUTHERN WATER & SEWER DISTRICT</u>	QUARTER	<u>1st</u>
ADDRESS	<u>245 KY RT 680</u>	TEST YEAR	<u>2016</u>
	<u>PO BOX 610</u>		
CITY, STATE, ZIP	<u>MCDOWELL, KY 41647</u>	DATE SUBMITTED	<u>April 25, 2016</u>

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	6724	0	6724
COMMERCIAL	152	0	152
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	6876	0	6876

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COMMISSION

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR (TO DATE)	0
METERS STILL TO TEST THIS YEAR	0

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN ±2%	> 2% FAST	> 2% SLOW	NR*		
NEW - 5 YEARS	0	0	0	0	0	0
5 - 8 YEARS	0	0	0	0	0	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	0	0	0	0	0	0
TOTALS	0	0	0	0	0	0
PERCENT						

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	0
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTER	5
TOTAL METERS TESTED THIS QUARTER	0
UTILITY OR APPROVED AGENCY DOING METER TESTING	CI THORNBURG
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	0
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	\$0.00
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	\$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	\$0.00

METER TESTING INFORMATION APPROVED BY:

SIGNED
TITLE

Dean M. Hill

Manager

CUSTOMER & REFUND INFORMATION APPROVED BY:

SIGNED
TITLE

TITLE

**QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION**

GENERAL INFORMATION

NAME OF UTILITY	<u>SOUTHERN WATER & SEWER DISTRICT</u>	QUARTER	<u>2</u>
ADDRESS	<u>245 KY RT 680</u>	TEST YEAR	<u>2016</u>
	<u>PO BOX 610</u>		
CITY, STATE, ZIP	<u>MCDOWELL, KY 41647</u>	DATE SUBMITTED	<u>July 8, 2016</u>

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	6630	0	6630
COMMERCIAL	78	0	78
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	6708	0	6708

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JUL 14 2016

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COMMISSION

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR (TO DATE)	0
METERS STILL TO TEST THIS YEAR	0

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN ±2%	> 2% FAST	> 2% SLOW	NR*		
NEW - 5 YEARS	0	0	0	0	0	0
5 - 8 YEARS	0	0	0	0	0	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	0	0	0	0	0	0
TOTALS	0	0	0	0	0	0
PERCENT						

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	0
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTER	8
TOTAL METERS TESTED THIS QUARTER	0
UTILITY OR APPROVED AGENCY DOING METER TESTING	CI THORNBURG
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	0
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	\$0.00
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	\$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	\$0.00

METER TESTING INFORMATION APPROVED BY:

SIGNED *Dean M Hall*

TITLE

Manager

CUSTOMER & REFUND INFORMATION APPROVED BY:

SIGNED _____

TITLE

**QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION**

GENERAL INFORMATION

NAME OF UTILITY	<u>SOUTHERN WATER & SEWER DISTRICT</u>	QUARTER	<u>3</u>
ADDRESS	<u>245 KY RT 680</u>	TEST YEAR	<u>2016</u>
	<u>PO BOX 610</u>		
CITY, STATE, ZIP	<u>MCDOWELL, KY 41647</u>	DATE SUBMITTED	<u>November 30, 2016</u>

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	6630	0	6715
COMMERCIAL	78	0	78
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	6708	0	6793

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR (TO DATE)	0
METERS STILL TO TEST THIS YEAR	0

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METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN ±2%	> 2% FAST	> 2% SLOW	NR*		
NEW - 5 YEARS	0	0	0	0	0	0
5 - 8 YEARS	0	0	0	0	0	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	0	0	0	0	0	0
TOTALS	0	0	0	0	0	0
PERCENT						

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	0
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTER	10
TOTAL METERS TESTED THIS QUARTER	0
UTILITY OR APPROVED AGENCY DOING METER TESTING	CI THORNBURG
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	0
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	\$0.00
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	\$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	\$0.00

METER TESTING INFORMATION APPROVED BY:

CUSTOMER & REFUND INFORMATION APPROVED BY:

SIGNED Dean M Hall
TITLE Manager

SIGNED _____
TITLE _____

**QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION**

GENERAL INFORMATION

NAME OF UTILITY	<u>SOUTHERN WATER & SEWER DISTRICT</u>	QUARTER	<u>4</u>
ADDRESS	<u>245 KY RT 680</u>	TEST YEAR	<u>2016</u>
	<u>PO BOX 610</u>		
CITY, STATE, ZIP	<u>MCDOWELL, KY 41647</u>	DATE SUBMITTED	<u>January 5, 2017</u>

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	6584	0	6584
COMMERCIAL	78	0	78
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	6662	0	6662

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JAN 9 2017

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Commission

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR (TO DATE)	0
METERS STILL TO TEST THIS YEAR	0

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN ±2%	> 2% FAST	> 2% SLOW	NR*		
NEW - 5 YEARS	0	0	0	0	0	0
5 - 8 YEARS	0	0	0	0	0	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	0	0	0	0	0	0
TOTALS	0	0	0	0	0	0
PERCENT						

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	0
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTER	17
TOTAL METERS TESTED THIS QUARTER	0
UTILITY OR APPROVED AGENCY DOING METER TESTING	CI THORNBURG
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	0
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	\$0.00
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	\$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	\$0.00

METER TESTING INFORMATION APPROVED BY:

SIGNED
TITLE

Deann M Hall
Manager

CUSTOMER & REFUND INFORMATION APPROVED BY:

SIGNED
TITLE

**QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION**

GENERAL INFORMATION

NAME OF UTILITY	<u>SOUTHERN WATER & SEWER DISTRICT</u>	QUARTER	<u>1st</u>
ADDRESS	<u>245 KY RT 680</u>	TEST YEAR	<u>2017</u>
	<u>PO BOX 610</u>		
CITY, STATE, ZIP	<u>MCDOWELL, KY 41647</u>	DATE SUBMITTED	<u>April 12, 2017</u>

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	6567	0	6567
COMMERCIAL	75	0	75
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	6642	0	6642

APR 17 2017

PUBLIC SERVICE
COMMISSION

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR (TO DATE)	0
METERS STILL TO TEST THIS YEAR	0

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN ±2%	> 2% FAST	> 2% SLOW	NR*		
NEW - 5 YEARS	0	0	0	0	0	0
5 - 8 YEARS	0	0	0	0	0	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	0	0	0	0	0	0
TOTALS	0	0	0	0	0	0
PERCENT						

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	0
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTER	10
TOTAL METERS TESTED THIS QUARTER	0
UTILITY OR APPROVED AGENCY DOING METER TESTING	CI THORNBURG
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	0
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	\$0.00
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	\$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	\$0.00

METER TESTING INFORMATION APPROVED BY:

CUSTOMER & REFUND INFORMATION APPROVED BY:

SIGNED
TITLE

Dean M Hall
Manager

SIGNED
TITLE

**QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION**

GENERAL INFORMATION

NAME OF UTILITY	SOUTHERN WATER & SEWER DISTRICT	QUARTER	2nd
ADDRESS	245 KY RT 680	TEST YEAR	2017
	PO BOX 610		
CITY, STATE, ZIP	MCDOWELL, KY 41647	DATE SUBMITTED	August 1, 2017

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	6606	0	6606
COMMERCIAL	75	0	75
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	6681	0	6681

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PUBLIC SERVICE
COMMISSION

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR (TO DATE)	0
METERS STILL TO TEST THIS YEAR	0

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN ±2%	> 2% FAST	> 2% SLOW	NR*		
NEW - 5 YEARS	0	0	0	0	0	0
5 - 8 YEARS	0	0	0	0	0	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	0	0	0	0	0	0
TOTALS	0	0	0	0	0	0
PERCENT						

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	0
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTER	8
TOTAL METERS TESTED THIS QUARTER	0
UTILITY OR APPROVED AGENCY DOING METER TESTING	CI THORNBURG
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	0
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	\$0.00
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	\$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	\$0.00

METER TESTING INFORMATION APPROVED BY:

CUSTOMER & REFUND INFORMATION APPROVED BY:

SIGNED
TITLE

Dean M Hall

SIGNED
TITLE

**QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION**

GENERAL INFORMATION

NAME OF UTILITY	<u>SOUTHERN WATER & SEWER DISTRICT</u>	QUARTER	<u>4th</u>
ADDRESS	<u>245 KY RT 680</u>	TEST YEAR	<u>2017</u>
	<u>PO BOX 610</u>		
CITY, STATE, ZIP	<u>MCDOWELL, KY 41647</u>	DATE SUBMITTED	<u>January 17, 2018</u>

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	5383	0	5383
COMMERCIAL	75	0	75
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	5458	0	5458

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR (TO DATE)	0
METERS STILL TO TEST THIS YEAR	0

RECEIVED
JAN 22 2018
PUBLIC SERVICE COMMISSION

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN ±2%	> 2% FAST	> 2% SLOW	NR*		
NEW - 5 YEARS	0	0	0	0	0	0
5 - 8 YEARS	0	0	0	0	0	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	0	0	0	0	0	0
TOTALS	0	0	0	0	0	0
PERCENT						

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	0
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTER	5
TOTAL METERS TESTED THIS QUARTER	0
UTILITY OR APPROVED AGENCY DOING METER TESTING	CI THORNBURG
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	0
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	\$0.00
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	\$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	\$0.00

METER TESTING INFORMATION APPROVED BY:

CUSTOMER & REFUND INFORMATION APPROVED BY:

SIGNED *Dean M Hall*
TITLE *Manager*

SIGNED _____
TITLE _____

**QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION**

GENERAL INFORMATION

NAME OF UTILITY	<u>SOUTHERN WATER & SEWER DISTRICT</u>	QUARTER	<u>1ST</u>
ADDRESS	<u>245 KY RT 680</u>	TEST YEAR	<u>2018</u>
	<u>PO BOX 610</u>		
CITY, STATE, ZIP	<u>MCDOWELL, KY 41647</u>	DATE SUBMITTED	<u>April 9, 2018</u>

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	5340	0	5340
COMMERCIAL	80	0	80
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	5422	0	5422

RECEIVED

APR 11 2018

PUBLIC SERVICE
COMMISSION

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR (TO DATE)	0
METERS STILL TO TEST THIS YEAR	0

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN ±2%	> 2% FAST	> 2% SLOW	NR*		
NEW - 5 YEARS	0	0	0	0	0	0
5 - 8 YEARS	0	0	0	0	0	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	0	0	0	0	0	0
TOTALS	0	0	0	0	0	0
PERCENT						

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	2
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTER	7
TOTAL METERS TESTED THIS QUARTER	0
UTILITY OR APPROVED AGENCY DOING METER TESTING	CI THORNBURG
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	0
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	\$0.00
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	\$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	\$0.00

METER TESTING INFORMATION APPROVED BY:

CUSTOMER & REFUND INFORMATION APPROVED BY:

SIGNED Dean M. Hill

SIGNED _____

TITLE Manager

TITLE _____

**QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION**

GENERAL INFORMATION

NAME OF UTILITY	<u>SOUTHERN WATER & SEWER DISTRICT</u>	QUARTER	<u>2nd</u>
ADDRESS	<u>245 KY RT 680</u>	TEST YEAR	<u>2018</u>
	<u>PO BOX 610</u>		
CITY, STATE, ZIP	<u>MCDOWELL, KY 41647</u>	DATE SUBMITTED	<u>July 3, 2018</u>

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	5350	0	5350
COMMERCIAL	85	0	85
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	5435	0	5435

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JUL 09 2018

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR (TO DATE)	0
METERS STILL TO TEST THIS YEAR	0

PUBLIC SERVICE
COMMISSION

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN ±2%	> 2% FAST	> 2% SLOW	NR*		
NEW - 5 YEARS	0	0	0	0	0	0
5 - 8 YEARS	0	0	0	0	0	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	0	0	0	0	0	0
TOTALS	0	0	0	0	0	0
PERCENT						

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	4
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTER	10
TOTAL METERS TESTED THIS QUARTER	0
UTILITY OR APPROVED AGENCY DOING METER TESTING	CI THORNBURG
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	0
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	\$0.00
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	\$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	\$0.00

METER TESTING INFORMATION APPROVED BY:

SIGNED Dean M Hall
TITLE Manager

CUSTOMER & REFUND INFORMATION APPROVED BY:

SIGNED _____
TITLE _____

**QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION**

GENERAL INFORMATION

NAME OF UTILITY	<u>SOUTHERN WATER & SEWER DISTRICT</u>	QUARTER	<u>3rd</u>
ADDRESS	<u>245 KY RT 680</u>	TEST YEAR	<u>2018</u>
	<u>PO BOX 610</u>		
CITY, STATE, ZIP	<u>MCDOWELL, KY 41647</u>	DATE SUBMITTED	<u>October 10, 2018</u>

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	5352	0	5352
COMMERCIAL	83	0	83
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	5435	0	5435

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OCT 15 2018
PUBLIC SERVICE COMMISSION

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR (TO DATE)	0
METERS STILL TO TEST THIS YEAR	0

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN ±2%	> 2% FAST	> 2% SLOW	NR*		
NEW - 5 YEARS	0	0	0	0	0	0
5 - 8 YEARS	0	0	0	0	0	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	0	0	0	0	0	0
TOTALS	0	0	0	0	0	0
PERCENT	0.00%	0.00%	0.00%	0.00%		

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	1
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTER	19
TOTAL METERS TESTED THIS QUARTER	1
UTILITY OR APPROVED AGENCY DOING METER TESTING	CI THORNBURG
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	0
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	\$0.00
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	\$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	\$0.00

METER TESTING INFORMATION APPROVED BY:

CUSTOMER & REFUND INFORMATION APPROVED BY:

SIGNED _____
TITLE _____

SIGNED _____
TITLE _____

**QUARTERLY METER REPORT
TO THE KENTUCKY PUBLIC SERVICE COMMISSION**

GENERAL INFORMATION

NAME OF UTILITY	<u>SOUTHERN WATER & SEWER DISTRICT</u>	QUARTER	<u>4th</u>
ADDRESS	<u>245 KY RT 680</u>	TEST YEAR	<u>2018</u>
	<u>PO BOX 610</u>		
CITY, STATE, ZIP	<u>MCDOWELL, KY 41647</u>	DATE SUBMITTED	<u>January 3, 2019</u>

METER STATISTICS

CUSTOMER TYPE	METERED	NON-METERED	TOTAL
RESIDENTIAL	5311	0	5311
COMMERCIAL	89	0	89
INDUSTRIAL	0	0	0
OTHER	0	0	0
TOTALS	5400	0	5400

RECEIVED

JAN 07 2019

**PUBLIC SERVICE
COMMISSION**

STATUS OF METER TEST PROGRAM	QUANTITY
METERS TO BE TESTED THIS YEAR	0
METERS TESTED THIS YEAR (TO DATE)	0
METERS STILL TO TEST THIS YEAR	5400

METER TESTING

YEARS SINCE METER WAS LAST TESTED	METER TEST RESULTS				METERS TESTED	METERS NOT TESTED
	WITHIN ±2%	> 2% FAST	> 2% SLOW	NR*		
NEW - 5 YEARS	0	0	0	0	0	0
5 - 8 YEARS	0	0	0	0	0	0
9 YEARS	0	0	0	0	0	0
10 YEARS	0	0	0	0	0	0
10+ YEARS	0	0	0	0	0	0
UNKNOWN	0	0	0	0	0	0
TOTALS	0	0	0	0	0	0
PERCENT						

* Non-Registering

PERIODIC METER TEST PROGRAM	
CASE NUMBER and/or SAMPLE METHOD PLAN	
METERS REMOVED FROM SERVICE AND TESTED THIS QUARTER	0
NEW SERVICE CONNECTIONS (METERS) INSTALLED THIS QUARTER	5
TOTAL METERS TESTED THIS QUARTER	0
UTILITY OR APPROVED AGENCY DOING METER TESTING	CI THORNBURG
METERS THAT TEST MORE THAN 2% FAST OR 2% SLOW	

CUSTOMER AND REFUND INFORMATION

NUMBER OF TESTS MADE AT CUSTOMER'S REQUEST	0
NUMBER OF TESTS MADE AT COMMISSION'S REQUEST	0
NUMBER OF METERS ON WHICH REFUNDS WERE MADE	0
TOTAL AMOUNT OF REFUNDS MADE DURING THIS QUARTER	\$0.00
NUMBER OF CUSTOMERS BILLED FOR SLOW METERS	0
TOTAL AMOUNT BILLED ON SLOW METERS	\$0.00
NUMBER OF CUSTOMERS BILLED FOR NON-REGISTERING METERS	0
TOTAL AMOUNT BILLED ON NON-REGISTERING METERS	\$0.00

METER TESTING INFORMATION APPROVED BY:

SIGNED Dean M Hall
TITLE Manager

CUSTOMER & REFUND INFORMATION APPROVED BY:

SIGNED _____
TITLE _____

APPENDIX C

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2019-00084 DATED **MAR 11 2019**

(THIRTY PAGES TO FOLLOW)



Matthew G. Bevin
Governor

Charles G. Snavelly
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Michael J. Schmitt
Chairman

Robert Cicero
Vice Chairman

June 13, 2017

Dean Hall
Southern Water and Sewer District
P.O. Box 610
McDowell, KY 41647

Re: Periodic Water Inspection
Southern Water and Sewer District Water System
Floyd County, KY

Dear Mr. Dean Hall:

Public Service Commission staff performed a periodic inspection of the Southern Water and Sewer District (SWSD) water system on May 24, 2017, reviewing utility operations and management practices pursuant to Commission regulations. The report of this inspection is enclosed with this letter.

Based on the inspector's observations, the following deficiencies were identified:

1. SWSD is failing to operate its facilities so as to provide adequate and safe service to its customers as required by 807 KAR 5:066, Section 7, due to water loss exceeding 15 percent.
2. SWSD has customers with one inch and smaller meters that have been in service for 10 years without being tested as required by 807 KAR 5:066 Section 16(1).

According to SWSD's annual report for 2015, unaccounted-for water loss equaled approximately 42.84 percent of the District's total water treated and purchased. The District treated and purchased \$235,921 of water that cannot be recovered for rate making purposes.

For deficiency number 1 an explanation of why the deficiency occurred and a written plan to reduce water loss will need to be submitted to the PSC.

For deficiency number 2 an explanation of why this deficiency occurred and how this deficiency will be remedied and prevented in the future needs to be provided.

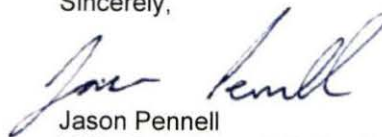
There was one deficiency from the previous inspection performed on November 11, 2014 and the deficiency has been addressed.

A letter addressing the District's actions regarding the deficiencies needs to be submitted by **July 13, 2017**.

Please review the enclosed inspection report as you will find further information in regard to the inspection. If you have any questions regarding this inspection, please contact me at 502-782-2596 or via email at Jason.Pennell@ky.gov.

Periodic Water Inspection
Southern Water and Sewer District
June 16, 2017
Page 2 of 2

Sincerely,



Jason Pennell
Utility Regulatory & Safety Investigator
Public Service Commission

Enclosure

Copy: Paula Johnson, Southern Water and Sewer District Chairperson
Ben Hale, County Judge/ Executive
John Goble, County Magistrate Dist. 1
Randy Davis, County Magistrate Dist. 2
Mike Tackett, County Magistrate Dist. 3
Ronnie Akers, County Magistrate Dist. 4

Kentucky Public Service Commission

Periodic Compliance Inspection

Utility: Southern Water and Sewer District

Utility location: 245 Kentucky Route 680, McDowell, KY 41647

Investigator: Jason Pennell

Date(s) of inspection: May 24, 2017

Date(s) of last inspection: November 12, 2014

Deficiencies noted during last inspection:

1. Utility did not provide evidence of master meter testing for its 2 City of Pikeville, 4 City of Prestonsburg, or 1 City of Hindman master meters per 807 KAR 5:066, Section 16(1).

Have deficiencies been corrected since last inspection: Yes No N/A

Primary utility representative(s) involved with inspection:

Name: Dean Fields

Title: Manager

Name: Joe Tice

Title: Safety Coordinator/Operator

Name: Chris Robinson

Title: Field Supervisor

Name: Reece Sower

Title: Field Supervisor

Who with the utility should receive the inspection report and cover letter?

Name: Dean Hall

Title: Manager

Mailing address: P.O. Box 610, McDowell, KY 41647

Email address: deanm.hall@bellsouth.net

Phone number: 606-377-9296

Kentucky Public Service Commission

Periodic Compliance Inspection

General Questions

Treatment Facility

Source Water: Southern Water and Sewer District water treatment plant (Big Sandy River)

Plant Capacity: 2 million gallons per day

Avg. Amount Produced: According to the 2015 annual report the utility produced an average of 1,749,219 gallons of water per day.

Distribution Facility

Source Water: Southern Water and Sewer District water treatment plant, City of Pikeville, and City of Prestonsburg

Area of Operation: Floyd County

Miles of Water Line: Approximately 500

Avg. Amount Purchased: According to the 2015 annual report the utility purchased approximately 550,964 gallons of water per day.

Water sold at wholesale rate to other water systems: According to the 2015 annual report the utility sold an average of 54,183 gallons of water per day to the City of Hindman.

Utility Information

Number of Employees: 26

Number of Office Employees: 4

Number of Certified Water Treatment Employees: 2

Number of Certified Distribution Employees: 3

Number of Certified Meter Testers: 0

Utility Chairperson/President: Paula Johnson

Metering System:

Number of Customers: 6,642

Meter Reading:

Kentucky Public Service Commission

Periodic Compliance Inspection

AMR AMI Other Manual

Type of meter used for customers: Badger

Contractor(s): Employed by Utility

None

Review Current Emergency Response Plan (ERP):

Has the utility made any revisions to the ERP in the past 24 months?

Yes No N/A

When was the last year construction was performed? 2015

What did the construction project consist of? Replaced 12" water main from water plant to the City of Martin.

807 KAR 5:006 (General Rules)

Section 4: Reports

Has the utility filed its gross annual operating revenue report? Yes No N/A

Does the utility file Quarterly Meter Reports (QMR) indicating meter tested, number of customers, and amount of refunds? Yes No N/A

Section 7: Billings, Meter Readings, and Information

Does each bill for utility service, issued periodically by a utility, clearly show the following?

The date the bill was issued: Yes No N/A

Class of service: Yes No N/A

Present and last preceding meter readings: Yes No N/A

Date of the present reading: Yes No N/A

Number of units consumed: Yes No N/A

Meter constant, if applicable: Yes No N/A

Net amount for service rendered: Yes No N/A

All taxes: Yes No N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

- Adjustments, if applicable: Yes No N/A
- The gross amount of the bill: Yes No N/A
- The date after which a penalty may apply to the gross amount: Yes No N/A
- If the bill is estimated or calculated: Yes No N/A
- Is the rate schedule under which the bill is computed posted on the utility's Web site (if it maintains a Web site)? Yes No N/A
- Also furnished by one (1) of the following methods, by:
- Printing it on the bill: Yes No N/A
- Publishing it in a newspaper of general circulation once each year: Yes No N/A
- Mailing it to each customer once each year; or: Yes No N/A
- Provide a place on each bill for a customer to indicate the customer's desire for a copy of the applicable rates: Yes No N/A
- Does the utility (except if prevented by reasons beyond its control) read customer meters at least quarterly? Yes No N/A
- Is each customer-read meter read manually, at least once during each calendar year? Yes No N/A
- Does the utility maintain the information required by this subsection, and is it available to the commission and any customer requesting this information? Yes No N/A
- If, due to reasons beyond its control, a utility is unable to read a meter in accordance with this subsection, does the utility record the date and time the attempt was made, if applicable, and the reason the utility was unable to read the meter? Yes No N/A

Section 9: Non-recurring Charges

- Is a charge assessed if a customer requests the meter be tested pursuant to Section 19 of this administrative regulation and the tests show the as-found meter accuracy is within the limits established by 807 KAR 5:066, Section 15(2)(a)? Yes No N/A

Section 10: Customer Complaints to the Utility

- Upon complaint to a utility by a customer at the utility's office, by telephone or in writing, does the utility make a prompt and complete investigation and advise the customer of the utility's findings? Yes No N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

Does the utility keep a record of all written complaints concerning the utility's service?
Yes No N/A

Does the record include the following?

The customer's name and address: Yes No N/A

The date and nature of the complaint: Yes No N/A

The disposition of the complaint: Yes No N/A

Does the utility maintain these records for two (2) years from the date of resolution of the complaint?
Yes No N/A

If a written complaint or a complaint made in person at the utility's office is not resolved, does the utility provide written notice to the customer of his or her right to file a complaint with the commission?
Yes No N/A

Does the utility provide the customer with the mailing address, Web site address, and telephone number of the commission?
Yes No N/A

If a telephonic complaint is not resolved, does the utility provide at least oral notice to the customer of his or her right to file a complaint with the commission?
Yes No N/A

Section 11: Bill Adjustment

Does the utility monitor a customer's usage at least quarterly? Yes No N/A

Are the utility's procedures designed to draw the utility's attention to unusual deviations in a customer's usage?
Yes No N/A

If a customer's usage is unduly high and the deviation is not otherwise explained, will the utility test the customer's meter?
Yes No N/A

If a utility's procedure for monitoring usage indicates that an investigation of a customer's usage is necessary, does the utility notify the customer in writing?
Yes No N/A

If knowledge of a serious situation requires more expeditious notice, does the utility notify the customer by the most expedient means available?
Yes No N/A

If the meter shows an average meter error greater than two (2) percent fast or slow, does the utility maintain the meter in question at a secure location under the utility's control, for a period of six (6) months from the date the customer is notified of the finding of the investigation and the time frame the meter will be secured by the utility or if the customer has filed a formal complaint?
Yes No N/A

Section 14: Utility Customer Relations

Kentucky Public Service Commission

Periodic Compliance Inspection

Does the utility post and maintain regular business hours and provide representatives available to assist its customers and to respond to inquiries from the commission regarding customer complaints?

Yes No N/A

Does the utility designate at least one (1) representative to be available to answer customer questions, resolve disputes, and negotiate partial payment plans at the utility's office?

Yes No N/A

If the utility has an annual operating revenue of \$250,000 or more does it make a designated representative available during the utility's established working hours not fewer than seven (7) hours per day, five (5) days per week excluding legal holidays?

Yes No N/A

If the utility has an annual operating revenue of less than \$250,000 does it make a designated representative available during the utility's established working hours not fewer than seven (7) hours per day, one (1) days per week?

Yes No N/A

Does the utility provide the following?

Maintain a telephone: Yes No N/A

Publish the telephone number in all service areas: Yes No N/A

Permit all customers to contact the utility's designated representative without charge: Yes No N/A

Does the utility prominently display in each office open to the public for customer service (and shall post on its Web site, if it maintains a Web site) a summary, prepared and provided by the commission, of the customer's rights pursuant to this section and Section 16 of this administrative regulation?

Yes No N/A

Does the utility inspect the condition of its meter and service connections before making service connections to a new customer so that prior or fraudulent use of the facilities shall not be attributed to the new customer?

Yes No N/A

Section 17: Meter Testing

Does the utility maintain meter standards and test facilities, as more specifically established in 807 KAR 5:066, Section 14?

Yes No N/A

Before being installed for use by a customer, are all meters tested and in good working order (and adjusted as close to the optimum operating tolerance as possible) as more specifically established in 807 KAR 5:066, Section 15(2)(a)-(b)?

Yes No N/A

Does the utility have all or part of its testing of meters performed by another utility or agency?

Yes No N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

Does utility or agency doing meter testing for a utility employ meter testers certified by the commission?
Yes No N/A

Does the utility or agency employ apprentices in training for certification as meter testers?
Yes No N/A

Are all tests performed during this period by an apprentice witnessed by a certified meter tester?
Yes No N/A

Section 18: Meter Test Records

Does the utility maintain a complete record of all meter tests and adjustments and data sufficient to allow checking of test calculations?
Yes No N/A

Do the records include the following?

Information to identify the unit and its location: Yes No N/A

Date of tests: Yes No N/A

Reason for the tests: Yes No N/A

Readings before and after test: Yes No N/A

Statement of "as found" and "as left" accuracies sufficiently complete to permit checking of calculations
Yes No N/A

Statement of repairs made, if any: Yes No N/A

Identifying number of the meter: Yes No N/A

Type and capacity of the meter: Yes No N/A

Does the utility maintain a complete record of tests of each meter continuous for at least two (2) periodic test periods and shall in no case be less than two (2) years? Yes No N/A

Does the utility maintain numerically arranged and properly classified records for each meter that it owns, uses, and inventories? Yes No N/A

Do these records include the following?

Identification number: Yes No N/A

Date of purchase: Yes No N/A

Name of manufacturer: Yes No N/A

Serial number: Yes No N/A

Type: Yes No N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

Name and address of each customer on whose premises the meter has been in service with date of installation and removal: Yes No N/A

Do these records contain condensed information concerning all tests and adjustments including dates and general results of the adjustments? Yes No N/A

Do these records reflect the date of the last test and indicate the proper date for the next periodic test? Yes No N/A

Section 19: Request Tests

Does the utility make a test of a meter upon written request of a customer if the request is not made more frequently than once each twelve (12) months? Yes No N/A

Does the utility afford the customer the opportunity to be present at the requested test? Yes No N/A

If the tests show the as-found meter accuracy is within the limits allowed by 807 KAR 5:066, Section 15(2)(a), does the utility may make a reasonable charge for the test?

Yes No N/A

Has the utility filed a tariff (commission approved) establishing a meter test charge? Yes No N/A

Section 20: Access to Property

Do employees of the utility (whose duties require him to enter the customer's premises) wear a distinguishing uniform or other insignia, identifying them as an employee of the utility, and show a badge or other identification that shall identify them as an employee of the utility?

Yes No N/A

Section 23: System Maps and Records

Does the utility have on file at its principal office located within the state and shall file upon request with the commission a map or maps of suitable scale of the general territory it serves or holds itself ready to serve? Yes No N/A

Is the map or maps available in electronic format as a PDF file or as a digital geographic database? Yes No N/A

Is following data available on the map or maps?

Operating districts: Yes No N/A

Rate districts Yes No N/A

Communities served: Yes No N/A

Location and size of distribution lines, and service connections: Yes No N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

Section 24: Location of Records

Are all records required by 807 KAR Chapter 5 kept in the office of the utility and made available to representatives, agents, or staff of the commission upon reasonable notice at all reasonable hours?

Yes No N/A

Section 25: Safety Program

Has the utility adopted and executed a safety program, appropriate to the size and type of its operations?

Yes No N/A

At a minimum, does the safety program include the following?

A safety manual with written guidelines for safe working practices and procedures to be followed by utility employees:

Yes No N/A

Instruct employees in safe methods of performing their work. For electric utilities, this is to include the standards established in 807 KAR 5:041, Section 3:

Yes No N/A

Instruct employees who, in the course of their work, are subject to the hazard of electrical shock, asphyxiation, or drowning, in accepted methods of artificial respiration:

Yes No N/A

Section 26: Inspection of Systems

Has the utility adopted inspection procedures to assure safe and adequate operation of the utility's facilities and compliance with KRS Chapter 278 and 807 KAR Chapter 5?

Yes No N/A

Have these inspection procedures been filed with the commission for review?

Yes No N/A

Upon receipt of a report of a potentially hazardous condition at a utility facility, does the utility inspect all portions of the system that are the subject of the report?

Yes No N/A

Are appropriate records kept by a utility to identify the inspection made, the date and time of inspection, the person conducting the inspection, deficiencies found, and action taken to correct the deficiencies?

Yes No N/A

Water utility inspections. Each water utility shall make systematic inspections of its system as established in paragraphs (a) through (c) of 807 KAR 5:006 Section (6) to insure that the commission's safety requirements are being met. These inspections shall be made as often as necessary but not less frequently than as established in paragraphs (a) through (c) of 807 KAR 5:006 Section (6) for various classes of facilities and types of inspection.

The utility shall annually inspect all structures pertaining to source of supply for their safety and physical and structural integrity.

Kentucky Public Service Commission

Periodic Compliance Inspection

Does the utility inspect the structures listed below?

Dams	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Intakes	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Traveling screen	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

Does the utility semiannually inspect the structures listed below?

Wells	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Well motors and structures	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Electric power wiring and controls	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

The utility shall annually inspect all structures pertaining to purification for their safety, physical and structural integrity, and for leaks.

Does the utility annually inspect the structures listed below?

Sedimentation basins	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Filters	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Clear Wells	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Chemical feed equipment	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Pumping equipment	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Water storage facilities	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Hydrants	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Mains	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Meters	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Meter settings	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Valves	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

Does the utility monthly inspect the equipment listed below for defects, wear, operational hazards, lubrication, and safety features?

Construction equipment	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Vehicles	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

Kentucky Public Service Commission

Periodic Compliance Inspection

Section 27: Reporting of Accidents, Property Damage, or Loss of Service

Within two (2) hours following discovery does the utility notify the commission by telephone or electronic mail of a utility related accident that results in the following:

Death or shock or burn requiring medical treatment at a hospital or similar medical facility, or any accident requiring inpatient overnight hospitalization: Yes No N/A

Actual or potential property damage of \$25,000 or more: Yes No N/A

Loss of service for four (4) or more hours to ten (10) percent or 500 or more of the utility's customers, whichever is less: Yes No N/A

Are summary written reports submitted by the utility to the commission within seven (7) calendar days of the utility related accident? Yes No N/A

Section 28: Deviations from Administrative Regulation:

Has the utility been permitted by the commission to deviate from these administrative regulations? Yes No N/A

807 KAR 5:011 (Tariffs)

Section 12: Posting tariffs, Administrative Regulations, and Statutes

Does the utility display a suitable placard, in large type, that states that the utility's tariff and statutes are available for public inspection? Yes No N/A

Does the utility provide a suitable table or desk in its office or place of business on which the public may view all effective tariffs? Yes No N/A

Section 13: Special Contracts

Does the utility have any special contracts that establish rates, charges, or conditions of service not contained in its tariff? Yes No N/A

If yes has the utility filed the special contracts with the PSC? Yes No N/A

807 KAR 5:066 (Water)

Section 2: Information Available to Customers:

Does the utility provide the information listed below to any customer upon request?

A description in writing of chemical constituents and bacteriological standards of the treated water as required by the Division of Water Yes No N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

Schedule of rates for water service Yes No N/A

Method of reading meters Yes No N/A

Past readings of a customer's meter for a period of two (2) years
Yes No N/A

Section 3: Quality of Water

Is the utility in compliance with the Division of Water?
Yes No N/A

Note: The utility is currently under an Agreed Order for exceeding the maximum contaminant level for total trihalomethanes.

When the utility is required by the Division of Water to make a public notification is the utility providing the Commission with a copy of the notification when it is made?
Yes No N/A

Section 4: Continuity of Service

Does the utility immediately notify the fire chief if an emergency interruption of service affects service to any public fire protection device?
Yes No N/A

If the utility schedules an interruption of service are all customers notified that are affected by the interruption?
Yes No N/A

Does the utility have standby pumps capable of providing the maximum daily pumping demand?
Yes No N/A

Does the utility's minimum storage capacity equal the average daily consumption?
Yes No N/A

Does the utility keep a record of all interruption?
Yes No N/A

Does the record contain the information listed below?

Cause of interruption Yes No N/A

Date Yes No N/A

Time Yes No N/A

Duration Yes No N/A

Remedy and steps taken to prevent recurrence Yes No N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

Section 5: Pressure

Does the customer's service pipe under normal conditions fall below thirty (30) psig or static pressure exceed 150 psig? Yes No N/A

Does the utility have one (1) or more recording pressure gauges to make pressure surveys? Yes No N/A

Is the utility maintaining one (1) or more of these recording pressure gauges at some representative point on the utility's mains at a minimum of one (1) week per month in continuous service? Yes No N/A

Is the utility, at least once annually, making a survey of pressures in its distribution system? Yes No N/A

Section 6: Water Supply Measurement

Has the utility installed a measuring device at each source of supply? Yes No N/A

Section 7: Standards of Construction

Is the utility failing to operate its facilities so as to provide adequate and safe service to its customers due to water loss exceeding 15 percent? Yes No N/A

Section 8: Distribution Mains

Are dead ends provided with a hydrant, flushing hydrant, or blowoff for flushing purpose? Yes No N/A

Section 9: Service Lines

Does the utility inspect the customer's service line? Yes No N/A

Does the utility substitute its inspection for the proof of an inspection done by the appropriate state or local plumbing inspector? Yes No N/A

Section 13: Measurement of Service

Does the utility meter all water sold? Yes No N/A

Does the utility have any flat water rates? Yes No N/A

Has the utility adopted a standard method of installing meters and service lines? Yes No N/A

Section 15: Accuracy requirement of Water Meters

Kentucky Public Service Commission

Periodic Compliance Inspection

Are all new meters, and any meter removed from service for any cause tested for accuracy prior to being placed into service? Yes No N/A

Do the meters tested register within the accuracy limits specified in 807 KAR 5:066, Section 15 (2)(a)? Yes No N/A

Section 16: Periodic Tests

Is the utility testing all water meters so that no meter remains in service without a test for a period longer than specified by the table in 807 KAR, Section 16 (1)? Yes No N/A

Section 17: Water Shortage Response Plan

Has the utility submitted a copy of its Water Shortage Response Plan with the Commission? Yes No N/A

Section 18: Deviations from Administrative Regulation:

Has the utility been permitted by the commission to deviate from these administrative regulations? Yes No N/A

807 KAR 5:095

(Fire Protection Service for Water Utilities)

Section 9

Does the utility allow a utility to withdraw water from its distribution system for fire protection and training purposes at no charge? Yes No N/A

Does the utility require a fire department to submit quarterly reports demonstrating its water usage? Yes No N/A

Does the utility's tariff state the penalty to be assessed for failure to submit water usage reports? Yes No N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

Review of Facilities:

1.

Tank: Spurlock
Capacity: 104,000
Condition: No visible issues noticed.

3.

Pump Station: Fisher Hollow
Condition: No visible issues noticed.

4.

Pump Station: Eastern
Condition: No visible issues noticed.

Kentucky Public Service Commission

Periodic Compliance Inspection

Deficiencies

Southern Water and Sewer District (SWSD) is failing to operate its facilities so as to provide adequate and safe service to its customers as required by 807 KAR 5:066, Section 7, due to water loss exceeding 15 percent.

SWSD has customers with one inch and smaller meters that have been in service for 10 years without being tested as required by 807 KAR 5:066 Section 16(1).

Additional Inspector Comments

According to the utility's annual report in 2015 the utility had a water loss of 42.84% and in 2014 water loss was 39.43%.

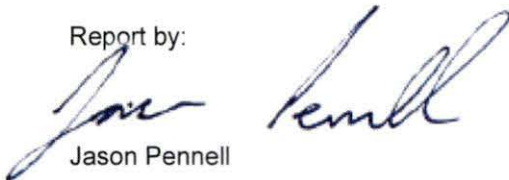
It is recommended that the SWSD inspect the interior of its water storage tanks.

SWSD is in the process of transferring the former Sandy Valley Water District distribution system, the Pyramid Distribution system, the Stanville, Eagle Trace, and Hippo water storage tank, the Mare Creek, and Pike-Floyd booster station, real property and other assets to the Pretonsburg City's Utilities Commission (Case No. 2017-00044).

Comment: During this periodic regulatory compliance inspection, it was not possible to review/discuss every record relating to all Commission requirements. Therefore, in some instances the results contained in this report are indicative of those items inspected and reviewed on a sample basis.

Report by:

Date: 6/6/17



Jason Pennell

Utility Regulatory & Safety Investigator

Kentucky Public Service Commission

Attachments: A: Water Storage Tanks and Pump Stations

B: Pictures

Attachment A

	<u>Tank and Location</u>	<u>Storage and Capacity Gallons</u>	<u>Last Inspection/ Maintenance Exterior</u>	<u>Last Inspection/ Maintenance Interior</u>
1	Arkansas Creek	43,000	2/7/17	
2	Martin	1,039,000	2/7/17	
3	Allen Central	209,000	2/7/17	
4	Brush Creek	60,000	2/7/17	
5	Lackey	200,000	2/7/17	
6	Spurklock	104,000	2/7/17	
7	Minnie	246,000	2/7/17	
8	Bill Hall Branch	25,000	2/7/17	
9	Neds Fork	38,000	2/7/17	
10	Price	310,000	2/7/17	
11	McCreary Branch	6,000	2/7/17	
12	Buckingham	209,000	2/7/17	
13	Ligon	25,000	2/7/17	
14	Jacks Creek	56,000	2/7/17	
15	Melvin	105,000	2/7/17	
16	Abner Mountain	25,000	2/7/17	
17	Weeksbury	56,000	2/7/17	
18	Branham Creek	28,000	2/7/17	
19	John Hall Branch	25,000	2/7/17	
20	Mink Branch (old)	150,000	2/7/17	
21	Mink Branch (new)	32,000	2/7/17	
22	Ligon	25,000	2/7/17	
23	Tackett	25,000	2/7/17	
24	Mud Creek	200,000	2/7/17	

Total Storage Capacity: 3,241,000

Average Daily Consumption: According to the 2015 annual report the utility produced and purchased an average of 2,295,183

	<u>Pump Location</u>	<u>No. of Pumps GPM</u>	<u>Last Inspection/ Maintenance</u>
1	Arkansas	2	1-11-17
2	Maytown	2	1-11-17
3	Eastern	2	1-11-17
4	Brush Creek	2	1-11-17
5	Lick Fork	2	1-11-17
6	Mill Creek	2	1-11-17
7	Steeles Creek	2	1-11-17
8	Fisher Hollow	2	1-11-17
9	Spurlock	2	1-11-17
10	Doty Creek	2	1-11-17
11	Frasures Creek	2	1-11-17
12	Bill Hall	2	1-11-17
13	Spewing Camp	2	1-11-17
14	Hi Hat	2	1-11-17
15	Reynolds Branch	2	1-11-17
16	Creek	2	1-11-17
17	Wheel Wright	2	1-11-17
18	Abner	2	1-11-17
19	Abner #2	2	1-11-17
20	Henpen	2	1-11-17
21	Muddy Gut	2	1-11-17
22	Weeksbury	2	1-11-17
23	Tinkerfork	2	1-11-17
24	Ivan	2	1-11-17
25	Mink	2	1-11-17
26	John Hall	2	1-11-17

27	Apts. (RT 979)	2	1-11-17
28	Russell Clark	2	1-11-17
29	Pigeon Roost	2	1-11-17
30	Left Fork Toler	2	1-11-17

Attachment B



Spurlock Water Storage Tank



Fisher Hollow Pump Station



Eastern Pump Station



SOUTHERN WATER & SEWER DISTRICT

P.O. Box 610

245 KY Rt. 680

McDowell, KY 41647

Ph. (606) 377-9296

Fax. (606) 377-9286

RECEIVED

JUL 13 2017

Public Service
Commission

Jason Pennell
Utility Regulatory & Safety Investigator
Public Service Commission

Deficiencies:

- 1) A) SWSD is contracted with KY Rural Water to help find and fix leaks, we also do night time leak detection using our master meters and leak detection equipment as much as possible. We will replace old water mains and service lines whenever possible with Grant money and other funds when available.

B) SWSD is an aging water system (50 years old) with over 500 miles of water mains and over 7000 customers, we have multiple pressure zone with over 300 psi, and an average working system pressure greater than 150 psi. SWSD believes the high pressures, age of the pipe, theft of service and the terrain are the leading contributor's to our water loss.

- 2) A) Lack of cash flow has prohibited any extra money to be spent on meter testing, but SWSD has planning in progress to replace its current meters with radio reads within the next 2 years.

B) Get financial assistance to replace current meter, and create more cash flow to save for future testing.

Sincerely,

Dean Hall
SWSD



Matthew G. Bevin
Governor

Charles G. Snavelly
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Michael J. Schmitt
Chairman

Robert Cicero
Vice Chairman

Talina R. Mathews
Commissioner

July 17, 2017

Dean Hall
Southern Water and Sewer District
P.O. Box 610
McDowell, KY 41647

Re: Periodic Water Inspection
Southern Water District Water System
Floyd County, KY

Dear Mr. Dean Hall:

Public Service Commission (PSC) staff performed a periodic inspection of the Southern Water District (Southern) water system on May 24, 2017, reviewing utility operations and management practices pursuant to Commission regulations

The inspection noted two deficiencies with Southern's operations. The PSC allowed until July 13, 2017, to resolve the deficiencies and provide supporting documentation.

On July 13, 2017, a response from Southern was received by the PSC. However, the response to the deficiencies is not accepted. Southern will need to provide a written plan by August 4, 2017 on how water loss will be reduced and how it will bring its meters into compliance with PSC regulations.

If you have any questions regarding this inspection, please contact me at 502-782-2596 or via email at Jason.Pennell@ky.gov.

Sincerely,

Jason Pennell
Utility Regulatory & Safety Investigator
Public Service Commission



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Commissioner

July 17, 2017

RECEIVED

AUG 21 2017

PUBLIC SERVICE
COMMISSION

Dean Hall
Southern Water and Sewer District
P.O. Box 610
McDowell, KY 41647

Re: Periodic Water Inspection
Southern Water District Water System
Floyd County, KY

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The inspection noted two deficiencies with Southern's operations. The PSC allowed until July 13, 2017, to resolve the deficiencies and provide supporting documentation.

On July 13, 2017, a response from Southern was received by the PSC. However, the response to the deficiencies is not accepted. Southern will need to provide a written plan by August 4, 2017 on how water loss will be reduced and how it will bring its meters into compliance with PSC regulations.

If you have any questions regarding this inspection, please contact me at 502-782-2596 or via email at Jason.Pennell@ky.gov.

Sincerely,

Jason Pennell
Utility Regulatory & Safety Investigator
Public Service Commission

Southern Water & Sewer District

Response to Deficiencies Noted in the May 24, 2017 PSC Inspection

- 1. Southern Water & Sewer District is failing to operate its facilities so as to provide adequate and safe service to its customers as required by 807 KAR 5:066, Section 7, due to water loss exceeding 15 percent.**

Response: Water loss has increased primarily due to aging infrastructure especially along Route 7 from Lackey and Wayland and Mud Creek. Some of the loss will only be recovered through infrastructure replacement. The District has approved project profiles to replace 23 miles at an estimated cost of \$4.8 M.

The finish water meter at the treatment plant was replaced on March 30, 2017. This will greatly increase the accuracy of water produced and reduce the apparent loss. The previous meter was a 10" Sensus turbine located in the plant and poorly installed. It was located 8' from the high service pump with a check valve and 45° fitting before the meter. The new meter is a 10" Sensus accuMAG properly installed and located outside of the plant. Comparing average plant production between the two meters shows a reduction of 137,000 GPD or 4,110,000 gallons monthly. This change will allow the District to more accurately calculate water loss. Additionally, we have developed a protocol for water loss prevention (Exhibit A).

- 2. Southern Water & Sewer District has customers with one inch and smaller meters that have been in service for 10 years without being tested as required by 807 KAR 5:066 Section 16(1).**

Response: Meter testing has not been addressed due to the expectation of funding for radio read meters. The District has an approved project profile for meter change out and upgrade to an AMR system. The problem is that our application has not scored enough points to compete with other utilities seeking SRF and KIA funds. It has become a "catch 22" where the District has been reluctant to spend the money to test / replace meters if there is a chance that the meter project will be funded.

On the September 25, 2017 board meeting the Commissioners will consider a proposal to apply to Rural Development or seek open market bonds to fund an entire meter replacement. The expected cost to pursue the project ourselves is \$750,000, which is a savings of over \$250,000 as originally designed. Pending Board approval, the District would submit to the Commission a CPCN for the project along with a request to deviate

from meter testing requirements. Failing this, the District will begin January 1, 2018 testing 10% of the District's meters and submitting quarterly reports as required.

APPENDIX D

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2019-00084 DATED **MAR 11 2019**

(THIRTY-ONE PAGES TO FOLLOW)



Matthew G. Bevin
Governor

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Energy and Environment Cabinet

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Chairman

Robert Cicero
Vice Chairman

Talina R. Mathews
Commissioner

May 29, 2018

Dean Hall
Southern Water and Sewer District
P.O. Box 610
McDowell, KY 41647

Re: Periodic Water Inspection
Southern Water and Sewer District Water System
Floyd County, KY

Dear Dean Hall:

Public Service Commission staff performed a periodic inspection of the Southern Water and Sewer District water system on May 16, 2018, reviewing utility operations and management practices pursuant to Commission regulations. The report of this inspection is enclosed with this letter.

Based on the inspector's observations, the following deficiency was identified:

1. SWSD is failing to operate its facilities so as to provide adequate and safe service to its customers as required by 807 KAR 5:066, Section 7, due to water loss exceeding 15 percent. **(repeat deficiency)**
2. SWSD has customers with one inch and smaller meters that have been in service for 10 years without being tested as required by 807 KAR 5:066, Section 16(1). **(repeat deficiency)**

According to Southern Water and Sewer District's annual report for 2016, unaccounted-for water loss equaled approximately 42.85 percent of the District's total water produced/purchased. The Utility produced/purchased \$274,862 of water that cannot be recovered for rate making purposes.

For the two deficiencies listed above, an explanation of why these deficiencies occurred and how these deficiencies will be remedied and prevented in the future needs to be provided. A letter addressing the organization's actions regarding these deficiencies shall be submitted by June 29, 2018.

Periodic Water Inspection
Southern Water and Sewer District Water
System May 29, 2018
Page 2 of 2

Please review the enclosed inspection report in its entirety as you will find further information noted in regard to the inspection. If you have any questions regarding this inspection, feel free to contact Erin Donges at 502-782-2627 or via email at erin.donges@ky.gov.

Sincerely,



Erin Donges
Utility Regulatory & Safety Investigator
Public Service Commission

Enclosure(s)

Copy: Paula Johnson, Chairperson
Ben Hale, County Judge/Executive
John Goble, County Magistrate District 1
Randy Davis, County Magistrate District 2
Mike Tackett, County Magistrate District 3
Ronnie Akers, County Magistrate District 4

Kentucky Public Service Commission

Periodic Compliance Inspection

Utility: Southern Water and Sewer District

Utility location: 245 Kentucky Route 680
McDowell, KY 41647

Investigator: Erin Donges

Date(s) of inspection: May 16, 2018

Date(s) of last inspection: May 24, 2017

Deficiencies noted during last inspection:

1. SWSD is failing to operate its facilities so as to provide adequate and safe service to its customers as required by 807 KAR 5:066, Section 7, due to water loss exceeding 15 percent.
2. SWSD has customers with one inch and smaller meters that have been in service for 10 years without being tested as required by 807 KAR 5:066, Section 16(1).

Have deficiencies been corrected since last inspection: Yes No N/A

Primary utility representative(s) involved with inspection:

Name: Dean Hall

Title: Manager

Name: Chris Robinson

Title: Field Supervisor

Who with the utility should receive the inspection report cover letter from the commission?

Name: Dean Hall

Title: Manager

Mailing address: P. O. Box 610 McDowell, KY 41647

Email address: deanm.hall@bellsouth.net

Phone number: 606-377-9296

Kentucky Public Service Commission

Periodic Compliance Inspection

General Questions

Treatment Facility

Source Water: Southern Water and Sewer District water treatment plant (Big Sandy River).

Plant Capacity: 2 million gallons per day.

Avg. Amount Produced: According to the 2016 annual report the utility produced an average 1.8 million gallons per day.

Distribution Facility

Source Water: Southern Water and Sewer District, City of Pikeville, and City of Prestonsburg

Area of Operation: Floyd County

Miles of Water Line: Approximately 500 miles

Avg. Amount Purchased: According to the 2016 annual report the utility purchased gallons of water per day.

Water sold at wholesale rate to other water systems: According to the 2016 annual report the utility sold an average of gallons of water per day to the City of Hindman and Knott County Water and Sewer District.

Utility Information

Number of Employees: 24

Number of Office Employees: 4

Number of Certified Water Treatment Employees: 4

Number of Certified Distribution Employees: 3

Number of Certified Meter Testers: N/A

Utility Chairperson/President: Paula Johnson

Metering System:

Number of Customers: 5,500

Meter Reading:

Kentucky Public Service Commission

Periodic Compliance Inspection

AMR AMI Other Manual

Type of meter used for customers: badger and sensus

Contractor(s): Employed by Utility

Review Current Emergency Response Plan (ERP):

Has the utility made any revisions to the ERP in the past 24 months?

Yes No N/A

When was the last year construction was performed? 2018

What did the construction project consist of? Ligon Tank had to rebuild and change sites due to slip of the land. Rehab of water treatment plant replaced motors, pumps, and added the grit king for sand removal.

807 KAR 5:006 (General Rules)

Section 4: Reports

Has the utility filed its gross annual operating revenue report?

Yes No N/A

Does the utility file Quarterly Meter Reports (QMR) indicating meter tested, number of customers, and amount of refunds?

Yes No N/A

Section 7: Billings, Meter Readings, and Information

Does each bill for utility service, issued periodically by a utility, clearly show the following?

The date the bill was issued: Yes No N/A

Class of service: Yes No N/A

Present and last preceding meter readings: Yes No N/A

Date of the present reading: Yes No N/A

Number of units consumed: Yes No N/A

Meter constant, if applicable: Yes No N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

Net amount for service rendered:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
All taxes:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Adjustments, if applicable:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
The gross amount of the bill:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
The date after which a penalty may apply to the gross amount:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
If the bill is estimated or calculated:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Is the rate schedule under which the bill is computed posted on the utility's Web site (if it maintains a Web site)?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Also furnished by one (1) of the following methods, by:			
Printing it on the bill:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
Publishing it in a newspaper of general circulation once each year:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
Mailing it to each customer once each year; or:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
Provide a place on each bill for a customer to indicate the customer's desire for a copy of the applicable rates:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Does the utility (except if prevented by reasons beyond its control) read customer meters at least quarterly?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Is each customer-read meter read manually, at least once during each calendar year?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Does the utility maintain the information required by this subsection, and is it available to the commission and any customer requesting this information?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
If, due to reasons beyond its control, a utility is unable to read a meter in accordance with this subsection, does the utility record the date and time the attempt was made, if applicable, and the reason the utility was unable to read the meter?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

Section 9: Non-recurring Charges

Is a charge assessed if a customer requests the meter be tested pursuant to Section 19 of this administrative regulation and the tests show the as-found meter accuracy is within the limits established by 807 KAR 5:066, Section 15(2)(a)?

Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
---	-----------------------------	------------------------------

Section 10: Customer Complaints to the Utility

Kentucky Public Service Commission

Periodic Compliance Inspection

Upon complaint to a utility by a customer at the utility's office, by telephone or in writing, does the utility make a prompt and complete investigation and advise the customer of the utility's findings?

Yes No N/A

Does the utility keep a record of all written complaints concerning the utility's service?

Yes No N/A

Does the record include the following?

The customer's name and address:

Yes No N/A

The date and nature of the complaint:

Yes No N/A

The disposition of the complaint:

Yes No N/A

Does the utility maintain these records for two (2) years from the date of resolution of the complaint?

Yes No N/A

If a written complaint or a complaint made in person at the utility's office is not resolved, does the utility provide written notice to the customer of his or her right to file a complaint with the commission?

Yes No N/A

Does the utility provide the customer with the mailing address, Web site address, and telephone number of the commission?

Yes No N/A

If a telephonic complaint is not resolved, does the utility provide at least oral notice to the customer of his or her right to file a complaint with the commission?

Yes No N/A

Section 11: Bill Adjustment

Does the utility monitor a customer's usage at least quarterly? Yes No N/A

Are the utility's procedures designed to draw the utility's attention to unusual deviations in a customer's usage? Yes No N/A

If a customer's usage is unduly high and the deviation is not otherwise explained, will the utility test the customer's meter? Yes No N/A

If a utility's procedure for monitoring usage indicates that an investigation of a customer's usage is necessary, does the utility notify the customer in writing? Yes No N/A

If knowledge of a serious situation requires more expeditious notice, does the utility notify the customer by the most expedient means available? Yes No N/A

If the meter shows an average meter error greater than two (2) percent fast or slow, does the utility maintain the meter in question at a secure location under the utility's control, for a period of six (6) months from the date the customer is notified of the finding of the investigation and the time frame the meter will be secured by the utility or if the customer has filed a formal complaint?

Kentucky Public Service Commission

Periodic Compliance Inspection

Yes No N/A

Section 14: Utility Customer Relations

Does the utility post and maintain regular business hours and provide representatives available to assist its customers and to respond to inquiries from the commission regarding customer complaints?

Yes No N/A

Does the utility designate at least one (1) representative to be available to answer customer questions, resolve disputes, and negotiate partial payment plans at the utility's office?

Yes No N/A

If the utility has annual operating revenues of \$250,000 or more does it make a designated representative available during the utility's established working hours not fewer than seven (7) hours per day, five (5) days per week excluding legal holidays?

Yes No N/A

If the utility has annual operating revenues of less than \$250,000 does it make a designated representative available during the utility's established working hours not fewer than seven (7) hours per day, one (1) days per week?

Yes No N/A

Does the utility provide the following?

Maintain a telephone: Yes No N/A

Publish the telephone number in all service areas: Yes No N/A

Permit all customers to contact the utility's designated representative without charge: Yes No N/A

Does the utility prominently display in each office open to the public for customer service (and shall post on its Web site, if it maintains a Web site) a summary, prepared and provided by the commission, of the customer's rights pursuant to this section and Section 16 of this administrative regulation?

Yes No N/A

Does the utility inspect the condition of its meter and service connections before making service connections to a new customer so that prior or fraudulent use of the facilities shall not be attributed to the new customer?

Yes No N/A

Section 17: Meter Testing

Does the utility maintain meter standards and test facilities, as more specifically established in 807 KAR 5:066?

Yes No N/A

Before being installed for use by a customer, are all meters tested and in good working order (and adjusted as close to the optimum operating tolerance as possible) as more specifically established in 807 KAR 5:066, Section 15(2)(a)-(b)?

Yes No N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

Does the utility have all or part of its testing of meters performed by another utility or agency?
Yes No N/A

Does the utility or agency doing meter testing for a utility have in its employ meter testers certified by the commission?
Yes No N/A

Does the utility or agency employ apprentices in training for certification as meter testers?
Yes No N/A

Are all tests performed during this period by an apprentice witnessed by a certified meter tester?
Yes No N/A

Section 18: Meter Test Records

Does the utility maintain a complete record of all meter tests and adjustments and data sufficient to allow checking of test calculations?
Yes No N/A

Do the records include the following?

Information to identify the unit and its location: Yes No N/A

Date of tests: Yes No N/A

Reason for the tests: Yes No N/A

Readings before and after test: Yes No N/A

Statement of "as found" and "as left" accuracies sufficiently complete to permit checking of calculations employed: Yes No N/A

Statement of repairs made, if any: Yes No N/A

Identifying number of the meter: Yes No N/A

Type and capacity of the meter: Yes No N/A

Does the utility maintain a complete record of tests of each meter continuous for at least two (2) periodic test periods and shall in no case be less than two (2) years? Yes No N/A

Does the utility maintain numerically arranged and properly classified records for each meter that it owns, uses, and inventories? Yes No N/A

Do these records include the following?

Identification number: Yes No N/A

Date of purchase: Yes No N/A

Name of manufacturer: Yes No N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

Serial number: Yes No N/A

Type: Yes No N/A

Name and address of each customer on whose premises the meter has been in service with date of installation and removal: Yes No N/A

Do these records contain condensed information concerning all tests and adjustments including dates and general results of the adjustments? Yes No N/A

Do these records reflect the date of the last test and indicate the proper date for the next periodic test? Yes No N/A

Section 19: Request Tests

Does the utility make a test of a meter upon written request of a customer if the request is not made more frequently than once each twelve (12) months? Yes No N/A

Does the utility afford the customer the opportunity to be present at the requested test? Yes No N/A

If the tests show the as-found meter accuracy is within the limits allowed by 807 KAR 5:066, Section 15(2)(a), does the utility may make a reasonable charge for the test?

Yes No N/A

Has the utility filed a tariff (commission approved) establishing a meter test charge? Yes No N/A

Section 20: Access to Property

Do employees of the utility (whose duties require him to enter the customer's premises) wear a distinguishing uniform or other insignia, identifying them as an employee of the utility, and show a badge or other identification that shall identify them as an employee of the utility?

Yes No N/A

Section 23: System Maps and Records

Does the utility have on file at its principal office located within the state and shall file upon request with the commission a map or maps of suitable scale of the general territory it serves or holds itself ready to serve? Yes No N/A

Is the map or maps available in electronic format as a PDF file or as a digital geographic database? Yes No N/A

Is following data available on the map or maps?

Operating districts: Yes No N/A

Rate districts: Yes No N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

Communities served: Yes No N/A

Location and size of distribution lines, and service connections: Yes No N/A

Section 24: Location of Records

Are all records required by 807 KAR Chapter 5 kept in the office of the utility and made available to representatives, agents, or staff of the commission upon reasonable notice at all reasonable hours? Yes No N/A

Section 25: Safety Program

Has the utility adopted and executed a safety program, appropriate to the size and type of its operations? Yes No N/A

At a minimum, does the safety program include the following?

A safety manual with written guidelines for safe working practices and procedures to be followed by utility employees: Yes No N/A

Instruct employees in safe methods of performing their work? Yes No N/A

Instruct employees who, in the course of their work, are subject to the hazard of electrical shock, asphyxiation, or drowning, in accepted methods of artificial respiration: Yes No N/A

Section 26: Inspection of Systems

Has the utility adopted inspection procedures to assure safe and adequate operation of the utility's facilities and compliance with KRS Chapter 278 and 807 KAR Chapter 5? Yes No N/A

Have these inspection procedures been filed with the commission for review? Yes No N/A

Upon receipt of a report of a potentially hazardous condition at a utility facility, does the utility inspect all portions of the system that are the subject of the report? Yes No N/A

Are appropriate records kept by a utility to identify the inspection made, the date and time of inspection, the person conducting the inspection, deficiencies found, and action taken to correct the deficiencies? Yes No N/A

Water utility inspections. Each water utility shall make systematic inspections of its system as established in paragraphs (a) through (c) of 807 KAR 5:006 Section 26(6) to insure that the commission's safety requirements are being met. These inspections shall be made as often as necessary but not less

Kentucky Public Service Commission

Periodic Compliance Inspection

frequently than as established in paragraphs (a) through (c) of 807 KAR 5:006 Section 26(6) for various classes of facilities and types of inspection.

The utility shall annually inspect all structures pertaining to source of supply for their safety and physical and structural integrity.

Does the utility inspect the structures listed below?

Dams	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Intakes	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Traveling screen	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

Does the utility semiannually inspect the structures listed below?

Wells	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Well motors and structures	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Electric power wiring and controls	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

The utility shall annually inspect all structures pertaining to purification for their safety, physical and structural integrity, and for leaks.

Does the utility annually inspect the structures listed below?

Sedimentation basins	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Filters	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Clear Wells	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Chemical feed equipment	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Pumping equipment	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Water storage facilities	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Hydrants	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Mains	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Meters	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Meter settings	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Valves	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

Kentucky Public Service Commission

Periodic Compliance Inspection

Does the utility monthly inspect the equipment listed below for defects, wear, operational hazards, lubrication, and safety features?

Construction equipment	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Vehicles	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

Section 27: Reporting of Accidents, Property Damage, or Loss of Service

Within two (2) hours following discovery does the utility notify the commission by telephone or electronic mail of a utility related accident that results in the following:

Death or shock or burn requiring medical treatment at a hospital or similar medical facility, or any accident requiring inpatient overnight hospitalization: Yes No N/A

Actual or potential property damage of \$25,000 or more: Yes No N/A

Loss of service for four (4) or more hours to ten (10) percent or 500 or more of the utility's customers, whichever is less: Yes No N/A

Are summary written reports submitted by the utility to the commission within seven (7) calendar days of the utility related accident? Yes No N/A

Section 28: Deviations from Administrative Regulation:

Has the utility been permitted by the commission to deviate from these administrative regulations? Yes No N/A

807 KAR 5:011 (Tariffs)

Section 12: Posting tariffs, Administrative Regulations, and Statutes

Does the utility display a suitable placard, in large type, that states that the utility's tariff and statutes are available for public inspection? Yes No N/A

Does the utility provide a suitable table or desk in its office or place of business on which the public may view all effective tariffs? Yes No N/A

Section 13: Special Contracts

Does the utility have any special contracts that establish rates, charges, or conditions of service not contained in its tariff? Yes No N/A

If yes has the utility filed, the special contracts with the PSC? Yes No N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

807 KAR 5:066 (Water)

Section 2: Information Available to Customers:

Does the utility provide the information listed below to any customer upon request?

A description in writing of chemical constitutes and bacteriological standards of the treated water as required by the Division of Water Yes No N/A

Schedule of rates for water service Yes No N/A

Method of reading meters Yes No N/A

Past readings of a customer's meter for a period of two (2) years Yes No N/A

Section 3: Quality of Water

Is the utility in compliance with the Division of Water? Yes No N/A

When the utility is required by the Division of Water to make a public notification is the utility providing the Commission with a copy of the notification when it is made? Yes No N/A

Section 4: Continuity of Service

Does the utility immediately notify the fire chief if an emergency interruption of service affects service to any public fire protection device? Yes No N/A

If the utility schedules an interruption of service are all customers notified that are affected by the interruption? Yes No N/A

Does the utility have standby pumps capable of providing the maximum daily pumping demand? Yes No N/A

Does the utility's minimum storage capacity equal the average daily consumption? Yes No N/A

Does the utility keep a record of all interruption? Yes No N/A

Does the record contain the information listed below?

Kentucky Public Service Commission

Periodic Compliance Inspection

Cause of interruption	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Date	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Time	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Duration	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Remedy and steps taken to prevent recurrence	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

Section 5: Pressure

Does the customer's service pipe under normal conditions fall below thirty (30) psig or static pressure exceed 150 psig? Yes No N/A

Does the utility have one (1) or more recording pressure gauges to make pressure surveys? Yes No N/A

Is the utility maintaining one (1) or more of these recording pressure gauges at some representative point on the utility's mains at a minimum of one (1) week per month in continuous service? Yes No N/A

Is the utility, at least once annually, making a survey of pressures in its distribution system? Yes No N/A

Section 6: Water Supply Measurement

Has the utility installed a measuring device at each source of supply? Yes No N/A

Section 7: Standards of Construction

Is the utility failing to operate its facilities so as to provide adequate and safe service to its customers due to water loss exceeding 15 percent? Yes No N/A

Section 8: Distribution Mains

Are dead ends provided with a hydrant, flushing hydrant, or blowoff for flushing purpose? Yes No N/A

Section 9: Service Lines

Does the utility inspect the customer's service line? Yes No N/A

Does the utility substitute its inspection for the proof of an inspection done by the appropriate state or local plumbing inspector? Yes No N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

Section 13: Measurement of Service

Does the utility meter all water sold? Yes No N/A

Does the utility have any flat water rates? Yes No N/A

Has the utility adopted a standard method of installing meters and service lines?
Yes No N/A

Section 15: Accuracy requirement of Water Meters

Are all new meters, and any meter removed from service for any cause tested for accuracy prior to being placed into service?
Yes No N/A

Do the meters tested register within the accuracy limits specified in 807 KAR 5:066, Section 15 (2)(a)?
Yes No N/A

Section 16: Periodic Tests

Is the utility testing all water meters so that no meter remains in service without testing for a period longer than specified by the table in 807 KAR, Section 16 (1)?
Yes No N/A

Section 17: Water Shortage Response Plan

Has the utility submitted a copy of its Water Shortage Response Plan with the Commission?
Yes No N/A

Section 18: Deviations from Administrative Regulation:

Has the utility been permitted by the commission to deviate from these administrative regulations?
Yes No N/A

807 KAR 5:095 (Fire Protection Service for Water Utilities)

Section 9

Does the utility allow a utility to withdraw water from its distribution system for fire protection and training purposes at no charge?
Yes No N/A

Does the utility require a fire department to submit quarterly reports demonstrating its water usage?
Yes No N/A

Does the utility's tariff state the penalty to be assessed for failure to submit water usage reports?

Kentucky Public Service Commission

Periodic Compliance Inspection

Yes

No

N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

Review of Facilities:

1.

Tank: Ligon Water Storage Tank

Capacity: 50,000

Condition: No Visual Issues

2.

Pump Station: Hi Hat

Condition: No Visual Issues

Kentucky Public Service Commission

Periodic Compliance Inspection

Deficiencies

Southern Water and Sewer District is failing to operate its facilities so as to provide adequate and safe service to its customers as required by 807 KAR 5:066, Section 7, due to water loss exceeding 15 percent. (repeat deficiency)

Southern Water and Sewer District has customers with one inch and smaller meters that have been in service for 10 years without being tested as required by 807 KAR 5:066, Section 16(1). (repeat deficiency)

Additional Inspector Comments

Utility stated they have 5000 meters that are 13-15 years' old that have never been tested and 500 meters that are less than 2 years old.

There has been an additional connection made with Knott County to service the Southern tip of system in emergency situations.

Utility stated the average distribution and service line in the system is 50 years old. This along with pressure zones and terrain have contributed to the utilities water loss issues.

The utility lost 1,100 water and sewer customers that were transferred to the City of Prestonsburg because Southern's wastewater plant was insufficient. This has hurt their water revenue.

Dean Hall Southern's manager stated that Mudd Creek is the utilities worst area for line breaks and theft. The utility is trying to get a zone meter for that area to pinpoint usage and leaks.

Cpr certification exp. 10/2018.

They have not had the interior of their tanks inspected due to financial restraints.

The utility is under an agreed order with the Division of Water for DBP's (Stage II).

Kentucky Public Service Commission

Periodic Compliance Inspection

Comment: During this periodic regulatory compliance inspection, it was not possible to review/discuss every record relating to all Commission requirements. Therefore, in some instances the results contained in this report are indicative of those items inspected and reviewed on a sample basis.

Report by:

Date: May 29, 2018



Erin Donges

Utility Regulatory & Safety Investigator

Kentucky Public Service Commission

Attachment(s): A.) Water Storage Tanks, Pump Stations, Master meters, Water Loss
B.) Pictures

Attachment A

Southern Water and Sewer District

<u>Water Storage Tanks</u>	<u>Capacity</u>	<u>last int insp</u>	<u>last ext insp</u>
<u>Arkansas Creek</u>	43,000	2017	
<u>Martin</u>	1,039,000	2017	
<u>Allen Central</u>	209,000	2017	
<u>Brush Creek</u>	60,000	2017	
<u>Lackey</u>	200,000	2017	
<u>Spurlock</u>	104,000	2017	
<u>Minnie</u>	246,000	2017	
<u>Bill Hall Branch</u>	25,000	2017	
<u>Neds Fork</u>	38,000	2017	
<u>Price</u>	310,000	2017	
<u>McCreary Branch</u>	6,000	2017	
<u>Buckingham</u>	209,000	2017	
<u>Ligon</u>	50,000	2017	
<u>Jacks Creek</u>	56,000	2017	
<u>Melvin</u>	105,000	2017	
<u>Abner Mountain</u>	25,000	2017	
<u>Weeksbury</u>	56,000	2017	
<u>Branham Creek</u>	28,000	2017	
<u>John Hall Branch</u>	25,000	2017	
<u>Mink Branch (old)</u>	150,000	2017	
<u>Mink Branch (new)</u>	32,000	2017	
<u>Tackett</u>	25,000	2017	
<u>Mud Creek</u>	200,000	2017	
<u>Storage Capacity</u>			

<u>Pump stations</u>	<u># of pumps</u>	<u>last insp</u>
<u>Arkansas</u>	2	2017
<u>Maytown</u>	2	2017
<u>Eastern</u>	2	2017
<u>Brush Creek</u>	2	2017
<u>Lick Fork</u>	2	2017
<u>Mill Creek</u>	2	2017
<u>Steeles Creek</u>	2	2017
<u>Fisher Hollow</u>	2	2017
<u>Spurlock</u>	2	2017
<u>Doty Creek</u>	2	2017
<u>Bill Hall</u>	2	2017
<u>Spewing Camp</u>	2	2017
<u>Hi Hat</u>	2	2017

Reynolds Branch

Creek

Wheel Wright

Abner

Abner #2

Henpen

Muddy Gut

Weeksbury

Tinkerfork

Ivan

Mink

John Hall

Apts. (Rt. 979)

Russell Clark

Pigeon Roost

Left Fork Toler

2	2017
2	2017
2	2017
2	2017
2	2017
2	2017
2	2017
2	2017
2	2017
2	2017
2	2017
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2	2017
2	2017
2	2017

Water Loss

Percentage

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
42.85	42.8	39.4	41.1	44



SOUTHERN WATER & SEWER DISTRICT

P.O. Box 610
245 KY Rt. 680
McDowell, KY 41647

Ph. (606) 377-9296 Fax. (606) 377-9286

Jun. 27, 18

RECEIVED

JUN 29 2018

PUBLIC SERVICE
COMMISSION

Erin Donges
Utility Regulatory & Safety Investigator
Public Service Commission

Deficiencies:

1) A) SWSD is an aging water system (50 years old) with over 500 miles of water mains and over 5000 customer's, we fix on average 40 leaks a month with no true way of estimating water loss on these leak's. We have multiple pressure zones with over 300 psi, and an average working system pressure greater than 150 psi. SWSD believes the high pressures, age of the pipe, poor installation, improper bedding, theft of service and the terrain are the leading contributors of our water loss.

B) continue to find and fix leaks, replace old water mains and services lines whenever possible with Grant money when available.

2) A) Lack of cash flow prohibits any extra money to be spent on meter testing.

B) SWSD is actively pursuing an ARC grant in the amount of \$250,000 which we should receive this year and start replacing approximately 2000 ¾-1 inch residential meters.

A handwritten signature in cursive script that reads 'Dean Hall'.

Dean Hall
SWSD

Equal Opportunity Employer
& Provider



Matthew G. Bevin
Governor

Charles G. Snavelly
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Michael J. Schmitt
Chairman

Robert Cicero
Vice Chairman

Talina R. Mathews
Commissioner

July 16, 2018

Dean Hall
Southern Water and Sewer District
P.O. Box 610
McDowell, KY 41647

Re: Acknowledgment of Utility Response
Southern Water and Sewer District Water System

Dear Mr. Hall:

Public Service Commission staff sent you a cover letter with an inspection report regarding a review of your operations and management practices citing deficiencies on May 29, 2018. Southern Water and Sewer District responded to the request for a response with a correspondence to the Public Service Commission on June 29, 2018.

Commission staff has reviewed your reply to the deficiencies and requires the following:

1. A plan outlining the testing of all meters older than 10 years including timelines for completing the testing; and
2. Submittal of monthly water loss reports

Commission staff is also in receipt of Southern Water and Sewer District's Alternate Rate Filing.

The plan outlining testing of all meters older than 10 years old needs to be submitted by August 15, 2018. Commission staff will verify continuing compliance with the commission regulations at the next scheduled inspection.

If you have any questions regarding this inspection, feel free to contact Erin Donges at 502-782-2627 or via email at erin.donges@ky.gov.

Sincerely,

A handwritten signature in black ink that reads "Erin Donges".

Erin Donges
Utility Regulatory & Safety Investigator

Acknowledgment of Utility Response
Southern Water and Sewer District Water System
July 16, 2018
Page 2 of 2

Public Service Commission

Enclosure(s)

Copy: Paula Johnson, Chairperson
Ben Hale, County Judge/Executive
John Goble, County Magistrate District 1
Randy Davis, County Magistrate District 2
Mike Tackett, County Magistrate District 3
Ronnie Akers, County Magistrate District 4



SOUTHERN WATER & SEWER DISTRICT

P.O. Box 610
245 KY Rt. 680
McDowell, KY 41647

Ph. (606) 377-9296 Fax. (606) 377-9286

August 13, 2018

Ms. Erin Donges

Utility Regulatory & Safety Investigator

Public Service Commission

211 Sower Boulevard

P.O. Box 615

Frankfort, KY 40602

RE: Acknowledgment of Utility Response

Southern Water and Sewer District Water System

Dear Ms. Donges:

Southern Water and Sewer District Water System (SWSD) is in receipt of your Acknowledgment of Utility Response letter dated July 16, 2018. Accordingly, is SWSD's response to the required response to the deficiencies:

1. *A plan outlining the testing of all meters older than 10 years including timelines for completing the testing.*

Currently we have approximately 5,500 meters that have been in service for 10+ years. If the \$250,000 ARC grant is received, we plan to replace 1/3 of the manual read meters each year with radio read meters until the Public Service Commission regulation is satisfied.

2. *Submittal of monthly water loss reports.*

Effective September 2018 SWSD will submit monthly water loss reports to the Public Service Commission. SWSD has included the previous three (3) months water loss reports.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Dean Hall".

Dean Hall

General Manger

Attachment (Water Loss Reports)

Equal Opportunity Employer
& Provider

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility:

For the Month of: Year:

LINE #	ITEM	GALLONS (Omit 000's)	
1	WATER PRODUCED, PURCHASED & DISTRIBUTED		
2	Water Produced	47,170,000	
3	Water Purchased	16,080,000	
4	TOTAL PRODUCED AND PURCHASED	63,250,000	
5			
6	WATER SALES		
7	Residential	21,798,000	
8	Commercial		
9	Industrial		
10	Bulk Loading Stations		
11	Wholesale	1,122,000	
12	Other Sales		
13	TOTAL WATER SALES	22,920,000	36.2%
14			
15	OTHER WATER USED		
16	Utility and/or Water Treatment Plant	960,000	
17	Wastewater Plant		
18	System Flushing	5,000,000	
19	Fire Department	5,000,000	
20	Other		
21	TOTAL OTHER WATER USED	10,960,000	17.3%
22			
23	WATER LOSS		
24	Tank Overflows		
25	Line Breaks	2,300,000	
26	Line Leaks	27,070,000	
27	Other		
28	TOTAL LINE LOSS	29,370,000	46.4%
29			
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4		
31			
32	WATER LOSS PERCENTAGE		
33	Unaccounted-For Water (Line 28 divided by Line 4)		46.4%

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility:

For the Month of: Year:

LINE #	ITEM	GALLONS (Omit 000's)	
1	WATER PRODUCED, PURCHASED & DISTRIBUTED		
2	Water Produced	47,180,000	
3	Water Purchased	10,982,000	
4	TOTAL PRODUCED AND PURCHASED	58,162,000	
5			
6	WATER SALES		
7	Residential	27,253,000	
8	Commercial		
9	Industrial		
10	Bulk Loading Stations		
11	Wholesale	834,000	
12	Other Sales		
13	TOTAL WATER SALES	28,087,000	48.3%
14			
15	OTHER WATER USED		
16	Utility and/or Water Treatment Plant	980,000	
17	Wastewater Plant		
18	System Flushing	5,000,000	
19	Fire Department	5,000,000	
20	Other		
21	TOTAL OTHER WATER USED	10,980,000	18.9%
22			
23	WATER LOSS		
24	Tank Overflows		
25	Line Breaks	4,500,000	
26	Line Leaks	14,595,000	
27	Other		
28	TOTAL LINE LOSS	19,095,000	32.8%
29			
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4		
31			
32	WATER LOSS PERCENTAGE		
33	Unaccounted-For Water (Line 28 divided by Line 4)	32.8%	

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility:

For the Month of: Year:

LINE #	ITEM	GALLONS (Omit 000's)	
1	WATER PRODUCED, PURCHASED & DISTRIBUTED		
2	Water Produced	47,860,000	
3	Water Purchased	12,632,000	
4	TOTAL PRODUCED AND PURCHASED	60,492,000	
5			
6	WATER SALES		
7	Residential	19,371,000	
8	Commercial	-	
9	Industrial		
10	Bulk Loading Stations		
11	Wholesale	1,316,000	
12	Other Sales		
13	TOTAL WATER SALES	20,687,000	34.2%
14			
15	OTHER WATER USED		
16	Utility and/or Water Treatment Plant	820,000	
17	Wastewater Plant		
18	System Flushing	5,000,000	
19	Fire Department	5,000,000	
20	Other		
21	TOTAL OTHER WATER USED	10,820,000	17.9%
22			
23	WATER LOSS		
24	Tank Overflows		
25	Line Breaks	4,800,000	
26	Line Leaks	24,185,000	
27	Other		
28	TOTAL LINE LOSS	28,985,000	47.9%
29			
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4		
31			
32	WATER LOSS PERCENTAGE		
33	Unaccounted-For Water (Line 28 divided by Line 4)		47.9%



Matthew G. Bevin
Governor

Charles G. Snaveley
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Michael J. Schmitt
Chairman

Robert Cicero
Vice Chairman

Talina R. Mathews
Commissioner

August 16, 2018

Dean Hall
Southern Water and Sewer District
P.O. Box 610
McDowell, KY 41647

Re: Acknowledgment of Utility Response
Southern Water and Sewer District Water System

Dear Mr. Hall:

Public Service Commission staff sent you a cover letter with an inspection report regarding a review of your operations and management practices citing deficiencies on May 29, 2018. Southern Water and Sewer District responded to the request for a response with a correspondence to the Public Service Commission on June 27, 2018.

Based on the Public Service Commission's review of the utility's response, Southern Water and Sewer District will need to continue to send monthly water loss reports and monthly updates of meter replacement until they are in compliance.

If you have any questions regarding this inspection, feel free to contact Erin Donges at 502-782-2627 or via email at erin.donges@ky.gov.

Sincerely,

A handwritten signature in black ink that reads "EDges".

Erin Donges
Utility Regulatory & Safety Investigator
Public Service Commission

Enclosure(s)

Copy: Paula Johnson, Chairperson

APPENDIX E

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2019-00084 DATED **MAR 11 2019**

(FOURTEEN PAGES TO FOLLOW)



Matthew G. Bevin
Governor

Charles G. Snavelly
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Michael J. Schmitt
Chairman

Robert Cicero
Vice Chairman

Talina R. Mathews
Commissioner

March 8, 2019

Dean Hall
Southern Water and Sewer District
P.O. Box 610
McDowell, KY 41647

Re: Periodic Water Inspection
Southern Water and Sewer District Water System
Floyd County, KY

Dear Mr. Hall:

Public Service Commission staff performed a periodic inspection of the Southern Water and Sewer District water system on February 21, 2019 reviewing utility operations and management practices pursuant to Commission regulations. The report of this inspection is enclosed with this letter.

Based on the inspector's observations, there were four deficiencies found at the time of inspection.

1. Utility has 5/8" x 3/4" meters that have been in service for 10 years without being tested contrary to the table in 807 KAR 5:066, Section 16(1) (5000 meters)
2. Utility is not requiring fire departments to send in quarterly usage reports as required in 807 KAR 5:095, Section 9(1).
3. Utility is not in compliance with the Division of Water as required in 807 KAR 5:066, Section 3(1). (Agreed Order DBP's)
4. Utility is failing to operate its facilities so as to provide adequate and safe services to its customers as required by 807 KAR 5:066, Section 7, due to water loss exceeding 15 percent. (2018-52.56 %)

According to Southern Water and Sewer District's annual report for 2017, unaccounted-for water loss equaled approximately 42.17 percent of the District's total water

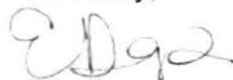
Periodic Water Inspection
Southern Water and Sewer District
March 8, 2019
Page 2 of 2

produced/purchased. The Utility produced/purchased \$242,662 of water that cannot be recovered for rate making purposes.

For the four deficiencies listed above, an explanation of why these deficiencies occurred and how these deficiencies will be remedied and prevented in the future needs to be provided. A letter addressing the organization's actions regarding these deficiencies shall be submitted by April 8, 2019.

If you have any questions regarding this inspection, feel free to contact Erin Donges at 502-782-2627 or via email at erin.donges@ky.gov.

Sincerely,



Erin Donges
Utility Regulatory & Safety Investigator
Public Service Commission

Enclosure(s)

Copy: Jeff Prater, Chairman
Robbie Williams, County Judge/Executive
Mark Crider, County Magistrate District 1
George Ousley, County Magistrate District 2
Mike Tackett, County Magistrate District 3
Ronnie Akers, County Magistrate District 4

Kentucky Public Service Commission

Periodic Compliance Inspection

Utility: Southern Water and Sewer District

Utility location: 245 Kentucky Route 680
McDowell, KY 41647

Investigator: Erin Donges

Date(s) of inspection: February 21, 2019

Date(s) of last inspection: May 16, 2018

Deficiencies noted during last inspection:

Have deficiencies been corrected since last inspection: Yes No N/A

Primary utility representative(s) involved with inspection:

Name: Dean Hall

Title: Manager

Name: Chris Robinson

Title: Field Supervisor

Who with the utility should receive the inspection report cover letter from the commission?

Name: Jeff Prater

Title: Chairman

Mailing address: P.O. Box 610

Email address: deanm.hall@bellsouth.net

Phone number: (606) 377-9296

Kentucky Public Service Commission

Periodic Compliance Inspection

General Questions

Treatment Facility

Source Water: Southern Water and Sewer District water treatment plant (Big Sandy River).

Plant Capacity: 2 million gallons per day.

Avg. Amount Produced: According to the 2017 annual report the utility produced an average of 1,487,556 gallons per day.

Distribution Facility

Source Water: Southern Water and Sewer District, City of Pikeville, City of Prestonsburg, Emergency connection with Knott County Water and Sewer District.

Area of Operation: Floyd and Knott Counties

Miles of Water Line: Approximately 500 miles of distribution line.

Avg. Amount Purchased: According to the 2017 annual report the Utility purchased an average of 530,249 gallons a day.

Water sold at wholesale rate to other water systems: According to the 2017 annual report the Utility sold 47,671 gallons a day to the City of Hindman

Utility Information

Number of Employees: 21

Number of Office Employees: 4

Number of Certified Water Treatment Employees: 3

Number of Certified Distribution Employees: 2

Number of Certified Meter Testers: N/A

Utility Chairperson/President: Jeff Prater

Metering System:

Number of Customers: 5,500

Meter Reading:

AMR

AMI

Other

Manual

Kentucky Public Service Commission

Periodic Compliance Inspection

Review of Facilities:

1.

Tank: Martin Water Storage Tank

Capacity: 1,039,000

Condition: No Visual Issues

2.

Tank: Allen Central Water Storage Tank

Capacity: 209,000

Condition:

3.

Tank: Old Mink Branch Water Storage Tank

Capacity: 150,000

Condition: Bad shape, Bulging, Leaking, Deteriorating ground

4.

Pump Station: John Hall Branch

Condition: No Visual Issues

5.

Pump Station: Backwash

Condition: No Visual Issues

6.

Pump Station: High Service (WTP)

Condition: No Visual Issues

7. Pumps: Raw Water Pumps

8. Clarifier, Filters, Turbidity Meters

Kentucky Public Service Commission

Periodic Compliance Inspection

Deficiencies

Utility is failing to operate its facilities so as to provide adequate and safe service to its customers as required by 807 KAR 5:066, Section 7, due to water loss exceeding 15 percent. (2017- 42.17)

Utility has 5/8" x 3/4" meters that have been in service for 10 years without being tested contrary to the table in 807 KAR 5:066, Section 16(1). (5000 meters)

Utility in not requiring fire departments to send in quarterly usage reports as required in 807 KAR 5:095, Section 9(1).

Utility is not in compliance with the Division of Water as required in 807 KAR 5:066, Section 3(1). (Agreed Order- DBP's)

Additional Inspector Comments

Mr. Hall was made aware of Fire Department reporting. The allowable amount allowed is 1/3 of a percent of Southern Water and Sewer District's total water sold.

Mr. Hall stated that they are trying to finance meters through RG3 or Mueller. Both companies will finance the meters with you so that meters can be purchased and paid for later. (5000 meters)

There are talks that PCUC (City of Prestonsburg) still owes 3-3.5 million dollars to Southern Water and Sewer District dealing with the transfer of 1500 water and sewer customers.

Cpr exp. 11/2020

Southern Water and Sewer District will not sign a contract with Knott County Water District because according to Southern it needs to be on an emergency need only. Knott County Water District wants Southern to buy an average every month.

Southern Water and Sewer District stated their DBP samples were good in the 4th quarter of 2018.

Mink Branch Tank is in disrepair and in need of replacing. Mr. Hall stated he thought that ARC was going to commit \$500,000 to the project and the rest would come from KIA. (200,000-300,000)

Water Treatment Plant updates and changes:

1. Chris Francis (Water Plant Operator) stated they can shut the plant down 5-7 hours every other day due to water loss going down.

Kentucky Public Service Commission

Periodic Compliance Inspection

2. Southern Water and Sewer District has started adding Sodium Permanganate to their treatment process to help with cleaning of the lines so that maintaining chlorine residuals throughout their system is easier.
3. They changed to location of adding chlorine at plant to help with DBP's. (moved from trunk line of raw water to before flash mix to above filter)

Comment: During this periodic regulatory compliance inspection, it was not possible to review/discuss every record relating to all Commission requirements. Therefore, in some instances the results contained in this report are indicative of those items inspected and reviewed on a sample basis.

Report by:

Date: March 8, 2019



Erin Donges

Utility Regulatory & Safety Investigator

Kentucky Public Service Commission

Attachment(s): A.) Pictures

B.) List of new Commissioners, Water Loss 2018

Attachment A

Attachment B

Southern Water and Sewer District Commissioners

Chairman- Jeff Prater (Big Sandy Rural Electric)

Secretary- Rick Roberts (Pikeville Medical Center-Public Relations)

Treasurer- Steve Dawson (Pharmacist-Businessmen)

Donny Daniels- (Retired school teacher)

Bud Newsome- (Ky Hwy. Department-Engineering Branch)

Water Loss 2018 (%) (Yearly Average 52.56)

January 56.1

February 26.7

March 46.6

April 46.4

May 32.8

June 47.9

July 60.9

August 55.3

September 61.5

October 61.6

November 71

December 64

**Southern Water & Sewer District
PO Box 610
McDowell, Ky. 41647
Regular Called Meeting January 28, 2019**

ATTENDANCE

Paula Johnson, Chairperson
Larry Joe Osborne, Commissioner
Barry Hall, Secretary
Hayes Hamilton, Commissioner
Mark Stephens, KEG

Dean Hall, General Manager
Jeff Reed, CPA
Paula Burke, Staff
Troy Hogge, KEG
Tyler Green, SWSD Attorney
Mary Meadows, Chronicle

**MEETING CALLED TO ORDER BY PAULA JOHNSON WITH ALL PRESENT AND
COUNTED FOR @ 5:00 PM**

MOTION TO APPROVE DECEMBER 10, 2018 MEETING MINUTES

Motion Made By: Hayes Hamilton
Seconded By: Larry Joe Osborne
Motion Passed

MOTION TO APPROVE SPECIAL MEETING MINUTES

Motion Made By: Barry Hall
Seconded By: Hayes Hamilton
Motion Approved

MOTION TO APPROVE FINANCES

Motion Made By: Barry Hall
Motion Seconded By: Larry Joe Osborne
Motion Approved

MOTION TO GO INTO EXECUTIVE SESSION

Motion Made By: Larry Joe Osborne
Seconded By: Hayes Hamilton
Motion Approved

MOTION TO GO OUT OF EXECUTIVE SESSION AT 5:54 PM WITH NO ACTION TAKEN

Motion Made By: Larry Joe Osborne

Seconded By: Barry Hall

Motion Passed

MOTION TO ADJOURN AT 5:55 PM

Motion Made By: Barry Hall

Seconded By: Larry Joe Osborne

Motion Passed

WITH THERE BEING NO FURTHER BUSINESS TO DISCUSS THE MEETING WAS ADJOURNED AT 5:55 pm.

PASSED BY THE SOUTHERN WATER & SEWER COMMISSIONERS ON THIS
28th DAY OF January 2019.

APPROVED BY:

Paula Johnson, Chairman

ATTESTED BY

Barry Hall, Secretary

**Southern Water & Sewer District
PO Box 610
McDowell, Ky. 41647
Special Called Meeting February 06, 2019**

ATTENDANCE

Jeff Prater
Steven Dawson
Donnie Daniels
Rick Roberts

Robert Williams, Judge
Jeff Reed, CPA
Paula Burke, Staff
Dean Hall, General Manager

**MEETING CALLED TO ORDER @ 6:30
PRAYER HELD BY JEFF PRATER**

SEATING AND SWEARING IN OF NEW BOARD MEMBERS AS FOLLOWS:

Jeff Prater
Steven Dawson
Donnie Daniels
Rick Roberts

MOTION MADE TO ELECT JEFF PRATER AS CHAIRMAN

Motion Made By: Rick Roberts
Seconded By: Steve Dawson
Motion Passed

MOTION MADE TO ELECT RICK ROBERTS AS SECRETARY

Motion Made By: Steve Dawson
Seconded By: Donnie Daniels
Motion Passed

MOTION MADE TO ELECT STEVE DAWSON AS TREASURER

Motion Made By: Donnie Daniels
Seconded By: Rick Roberts
Motion Passed

MOTION MADE TO GIVE DEAN AUTHORIZATION TO OBTAIN 3 COMPARISON BIDS TO DO A RATE STUDY FOR RATE INCREASE

Motion Made By: Rick Roberts

Seconded By: Steve Dawson

Motion Passed

MOTION MADE TO SET THE COMMISSIONERS MONTHLY SALARY AT \$250.00

Motion Made By: Donnie Daniels

Seconded By: Rick Roberts

Motion Passed

CHECK SIGNERS HAVE BEEN SET AS FOLLOWS:

Steve Dawson

Donnie Daniels

Rick Roberts-Alternate

MOTION MADE TO ADJOURN AT 8:02 PM

Motion Made By: Steve Dawson

Seconded By: Donnie Daniels

Motion Passed

WITH THERE BEING NO FURTHER BUSINESS TO DISCUSS THE MEETING WAS ADJOURNED AT 8:02 pm.

PASSED BY THE SOUTHERN WATER & SEWER COMMISSIONERS ON THIS

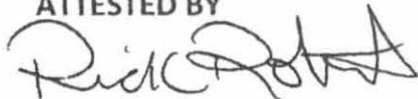
6th DAY OF February 2019.

APPROVED BY:

Jeff Prater, Chairman



ATTESTED BY



Rick Roberts, Secretary

APPENDIX F

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2019-00084 DATED **MAR 11 2019**

(THREE PAGES TO FOLLOW)

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility:

For the Month of: Year:

LINE #	ITEM	GALLONS (Omit 000's)	
1	WATER PRODUCED, PURCHASED & DISTRIBUTED		
2	Water Produced	46,090,000	
3	Water Purchased	12,238,000	
4	TOTAL PRODUCED AND PURCHASED	58,328,000	
5			
6	WATER SALES		
7	Residential	18,372,000	
8	Commercial		
9	Industrial		
10	Bulk Loading Stations		
11	Wholesale	1,421,000	
12	Other Sales		
13	TOTAL WATER SALES	19,793,000	33.9%
14			
15	OTHER WATER USED		
16	Utility and/or Water Treatment Plant	1,000,000	
17	Wastewater Plant		
18	System Flushing	1,000,000	
19	Fire Department	661,392	
20	Other		
21	TOTAL OTHER WATER USED	2,661,392	4.6%
22			
23	WATER LOSS		
24	Tank Overflows	72,036	
25	Line Breaks	7,000,000	
26	Line Leaks	28,801,572	
27	Other		
28	TOTAL LINE LOSS	35,873,608	61.5%
29			
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4		
31			
32	WATER LOSS PERCENTAGE		
33	Unaccounted-For Water (Line 28 divided by Line 4)		61.5%

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility:

For the Month of: Year:

LINE #	ITEM	GALLONS (Omit 000's)	
1	WATER PRODUCED, PURCHASED & DISTRIBUTED		
2	Water Produced	48,650,000	
3	Water Purchased	16,890,000	
4	TOTAL PRODUCED AND PURCHASED	65,540,000	
5			
6	WATER SALES		
7	Residential	21,840,000	
8	Commercial		
9	Industrial		
10	Bulk Loading Stations		
11	Wholesale	1,078,000	
12	Other Sales	-	
13	TOTAL WATER SALES	22,918,000	35.0%
14			
15	OTHER WATER USED		
16	Utility and/or Water Treatment Plant	560,000	
17	Wastewater Plant		
18	System Flushing	1,000,000	
19	Fire Department	661,000	
20	Other		
21	TOTAL OTHER WATER USED	2,221,000	3.4%
22			
23	WATER LOSS		
24	Tank Overflows	60,000	
25	Line Breaks	6,800,000	
26	Line Leaks	33,541,000	
27	Other		
28	TOTAL LINE LOSS	40,401,000	61.6%
29			
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4		
31			
32	WATER LOSS PERCENTAGE		
33	Unaccounted-For Water (Line 28 divided by Line 4)		61.6%

PUBLIC SERVICE COMMISSION

Monthly Water Loss Report

Water Utility:

For the Month of: Year:

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED, PURCHASED & DISTRIBUTED	
2	Water Produced	49,850,000
3	Water Purchased	21,220,400
4	TOTAL PRODUCED AND PURCHASED	71,070,400
5		
6	WATER SALES	
7	Residential	17,347,000
8	Commercial	-
9	Industrial	
10	Bulk Loading Stations	
11	Wholesale	1,261,000
12	Other Sales	
13	TOTAL WATER SALES	18,608,000 26.2%
14		
15	OTHER WATER USED	
16	Utility and/or Water Treatment Plant	510,000
17	Wastewater Plant	
18	System Flushing	1,000,000
19	Fire Department	520,410
20	Other	
21	TOTAL OTHER WATER USED	2,030,410 2.9%
22		
23	WATER LOSS	
24	Tank Overflows	102,000
25	Line Breaks	7,700,000
26	Line Leaks	42,629,990
27	Other	
28	TOTAL LINE LOSS	50,431,990 71.0%
29		
30	Note: Line 13 + Line 21 + Line 28 Must Equal Line 4	
31		
32	WATER LOSS PERCENTAGE	
33	Unaccounted-For Water (Line 28 divided by Line 4)	71.0%

*Southern Water & Sewer District
245 Kentucky Route 680
P. O. Box 610
McDowell, KY 41647

*Dean Hall
Operations Manager
Southern Water & Sewer District
P.O. Box 610, 245 Kentucky Route 680
McDowell, KENTUCKY 41647