

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC MARTIN COUNTY WATER)	CASE NO.
DISTRICT MANAGEMENT AND OPERATION)	2020-00154
MONITORING PURSUANT TO KRS 278.250)	

ORDER

On December 11, 2024, Martin County Water District (Martin District) filed a motion to modify the Commission’s Orders related to Evans Hardware purchase reporting (Motion).¹ The motion requested to remove the quarterly reporting requirement of purchases made by Martin District or its contractor, Alliance Water Resources, Inc. (Alliance), from Evans Hardware.

BACKGROUND

On November 6, 2020, the Commission issued an Order opening this case to monitor Martin District’s progress on its managerial and financial problems.²

When this case was established, Martin District had accrued a substantial unpaid balance with Evans Hardware, and despite having other sources to purchase from, had continued to purchase supplies from Evans Hardware and was being charged an

¹ Motion to Modify the Public Service Commission’s Orders Relative to Evans Hardware Purchase Reporting (Motion) (filed Dec. 11, 2024).

² See Case No. 2002-00116, *Investigation of the Operating Capacity of Martin County Water District Pursuant to KRS 278.280* (Ky. PSC Nov. 17, 2003); Case No. 2006-00303, *An Investigation into the Management and Operation of Martin County Water District* (Ky. PSC June 26, 2006); Case No. 2016-00142, *Electronic Investigation of the Operating Capacity of Martin County Water District Pursuant to KRS 278.280* (Apr. 11, 2016); and Case No. 2018-00017, *Electronic Application of Martin County Water District for an Alternative Rate Adjustment* (Ky. PSC Nov. 15, 2019), Order at 7, 10 (November 15, 2019 Order).

excessive interest rate on its unpaid balance.³ By Order issued July 22, 2020, Martin District was required to file a monthly report no later than the 15th of every month listing all purchases made from Evans Hardware the previous month with a narrative justification for the purchase, and explanation why it could not be obtained from another source or why the supply was not kept in inventory.⁴

On September 15, 2020, Martin District filed a motion to remove the monthly reporting requirement regarding Evans Hardware purchases and argued it was operated by Alliance, and therefore, Martin District made no purchases for business services other than those services outside the scope of the Alliance contract. The Commission denied that motion, and instead modified its' Order to require not only Martin District, but also Alliance, to make such reports.⁵

On July 20, 2023, the Commission, on its' own motion, directed that the reports for Evans Hardware purchases be filed on a quarterly basis beginning October 16, 2023, and continuing each quarter.⁶

DISCUSSION AND FINDINGS

In its Motion, Martin District requested to remove the quarterly reporting requirement for purchases made by Martin District or Alliance from Evans Hardware. Martin District stated that, since the original Order issued July 22, 2020, and the subsequent Orders, Martin District and Alliance have complied with the Evans Hardware

³ Order (Ky. PSC July 22, 2020) at 7.

⁴ Order (Ky. PSC July 22, 2020) at 7.

⁵ Order (Ky. PSC Oct. 6, 2020) at 2.

⁶ Order (Ky. PSC July 20, 2023).

reporting requirements.⁷ Martin District further stated the reports filed evidence that Martin District has made no purchases from Evans Hardware, and the purchases by Alliance from Evans Hardware have been minimal, and only necessary due to exigent circumstances and need.⁸ Those purchases average \$49.95 monthly for 2020; \$71.68 monthly for 2021; \$166.32 monthly for 2022; \$250.26 monthly for 2023; and \$110.64 monthly for 2024.⁹ Martin District argued that the reporting burden to Martin District, including the attorney fees incurred, outweighs the possible benefit, given that minimal monthly purchases are required from Evans Hardware and that is unlikely to change in the foreseeable future.¹⁰

The Commission finds that Martin District has complied with the Evans Hardware reporting requirements to date. Martin District has provided evidence that minimal purchases are currently made by Martin District and Alliance from Evans Hardware, and the Commission agrees that, so long as minimal purchases are required from Evans Hardware, and Martin District is no longer subject to excessive interest previously charged by, and paid to Evans Hardware, this reporting requirement should be removed. The Commission therefore finds the quarterly reporting requirements for purchases made by Martin District and Alliance from Evans Hardware should be discontinued as of December 31, 2024. The Commission further finds that Martin District should adhere to

⁷ Motion at 2.

⁸ Motion at 2.

⁹ Motion at 2.

¹⁰ Motion at 2.

all other provisions and filing requirements remaining from the July 22, 2020 Order and any other subsequent Order not in conflict with this one.

IT IS THEREFORE ORDERED that:

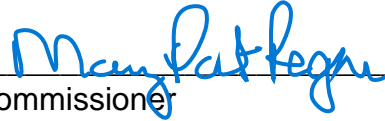
1. Martin District's motion to remove the quarterly reporting requirements for purchases made by Martin District and Alliance from Evans Hardware report is granted.
2. Martin District's quarterly reporting requirement for purchases made by Martin District and Alliance is discontinued as of December 31, 2024.
3. All other provisions and filing requirements from the Commission's July 22, 2020 Order and subsequent Orders in this proceeding remain in effect.

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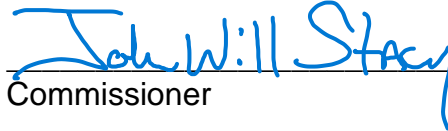
PUBLIC SERVICE COMMISSION



Chairman



Commissioner



Commissioner

ATTEST:


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