

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALLEGED FAILURE OF SOUTHERN MADISON)	
WATER DISTRICT TO FILE REQUIRED REPORT)	CASE NO.
PURSUANT TO KRS 278.230(3) AND 807 KAR)	2021-00389
5:006, SECTION 4)	

ORDER

On October 14, 2021, the Commission initiated a proceeding to investigate the failure of Southern Madison Water District (Southern Madison District) to file its annual statistical and financial report (Annual Report) of utility operations for the calendar year 2020. The Order stated a formal hearing would be held to determine if Southern Madison District should be subjected to the civil penalties established in KRS 278.990 for its failure to comply with KRS 278.140(3), KRS 278.230(3), and 807 KAR 5:006, Section 4. The Order further stated Southern Madison District could waive the formal hearing if the Annual Report was filed by November 9, 2021, and a \$500 civil penalty was filed.

Southern Madison District submitted the \$500 civil penalty but did not file the Annual Report by November 9, 2021. On December 14, 2021, the Commission entered an Order scheduling a hearing on the failure of Southern Madison District to file the Annual Report. The Order also returned the \$500 check Southern Madison District remitted without the Annual Report. The hearing is scheduled for February 2, 2022, at 1 p.m. Eastern Standard Time. On December 21, 2021, Southern Madison District filed its Annual Report for the calendar year 2020.

Since Southern Madison District filed the Annual Report on December 21, 2021, the Commission will allow the utility to submit the \$500 civil penalty. If the civil penalty is received by January 21, 2022, the hearing will be remanded from the Commission's docket.

The Commission notes concern regarding Southern Madison District's ability to follow Commission Orders, specifically Orders requiring Southern Madison District to file documents by a given date. The Commission is concerned that this inability to follow basic orders is indicative of the managerial capabilities of Southern Madison District's officers and staff. The correspondence between Commission Staff and Southern Madison District staff regarding the reason for the delayed Annual Report, which were attached to the October 14, 2021 Order, indicate an inability to understand accounting and billing software, which is also a reason for concern. The Commission notes the Annual Report for the calendar year 2021 is due March 31, 2022. The Commission expects Southern Madison District will not request multiple extensions and will display better management practices regarding timely filing of documents.

IT IS THEREFORE ORDERED that:

1. If Southern Madison District desires to waive its right to a hearing in this matter, Southern Madison District shall, no later than, January 21, 2022, pay a penalty of \$500. Payment of the penalty shall be made by certified check or money order made payable to the Treasurer, Commonwealth of Kentucky, and shall be delivered to the Office of General Counsel, Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602-0165.

2. If the penalty is filed, the February 2, 2022 hearing will be canceled by a separate Order.

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By the Commission

ENTERED
JAN 10 2022 rcs
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2021-00389

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