

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION OF THE	)	
JURISDICTIONAL STATUS OF SEVERAL	)	CASE NO.
COMPANIES IN PIKE COUNTY, KENTUCKY AND	)	2024-00271
OF THEIR COMPLIANCE WITH KRS CHAPTER	)	
278 AND 807 KAR CHAPTER 005	)	

ORDER

The Commission, on its own motion, finds that this proceeding should be initiated to investigate whether several companies are selling, furnishing, or otherwise providing water and/or sewage service to a series of homes situated in Pike County, Kentucky, and therefore, subject to the Commission’s jurisdiction pursuant to KRS<sup>1</sup> 278.040. The Companies involved are Prater Construction Inc. (Prater Construction), Twin Diamond, LLC (Twin Diamond), Roopani Development Corporation (Roopani Development), and Appalachian Building Services, LLC (Appalachian Building Services). The Commission has no record of approving any water service rates charged by any of the parties involved in this investigation.

BACKGROUND

The Commission has been made aware of an informal complaint to the Office of the Attorney General (Attorney General) regarding the addition of a \$64.29 surcharge for several homes in the Zebulon Heights community located in Pike County, Kentucky. Additionally, the Commission is in possession of two letters, attached as Appendix A and

---

<sup>1</sup> Kentucky Revised Statutes.

Appendix B. The first letter was from Twin Diamond to Prater Construction, dated April 22, 2024, informing the latter that Twin Diamond was going to install its own meters and that Twin Diamond would be adding a \$450 per month surcharge and process fee for the use of its pump house for the Zebulon Heights Community.<sup>2</sup> The second letter was from Prater Construction to Mr. Daniel Isaac, dated May 6, 2024, informing Mr. Isaac of the impending “additional fee.” Specifically, the letter informed Mr. Isaac of a \$64.29 monthly increase; his share of the \$450 total fee.<sup>3</sup> The letter also details that the surcharge became effective May 1, 2024. Moreover, based on the information currently available, the Commission has reason to believe that several other entities own or owned property in the vicinity and may currently, or in the past, have operated the pump house, or received water from the pump house, currently owned and operated by Twin Diamond. Those entities are Roopani Development and Appalachian Building Services.

Finally, the Commission is also aware that the homes in the Zebulon Heights Community may be receiving sewer services from Prater Construction. The Commission has no records of approving sewer service rates from Prater Construction. Notably, it appears that all the homes potentially impacted by this water and sewer service arrangement are located in the Mountain Water District (Mountain District) service area. Mountain District is a water district created pursuant to KRS Chapter 74 and provides

---

<sup>2</sup> The letter is attached to this Order in Appendix A.

<sup>3</sup> The letter is attached to this Order in Appendix B.

water to approximately 16,495 customers.<sup>4</sup> Additionally, Mountain District also provides retail sewer service to approximately 2,314 residents.<sup>5</sup>

### LEGAL STANDARD

Pursuant to KRS 278.040, the Commission has jurisdiction over the rates and services of all utilities in Kentucky. In addition, KRS 278.260, allows the Commission to investigate matters on its own motion. Pursuant to KRS 278.010(3)(b) and (c), “utility” includes any person, except a regional wastewater commission or city, who owns, controls, operates or manages any facility used in connection with the production, manufacture, transportation, storage, distribution, conveying or sale of natural gas to or for the public for compensation. All utilities in Kentucky must provide adequate, efficient and reasonable service, and establish reasonable rules under which they will be required to render service.<sup>6</sup> The Commission has jurisdiction over complaints as to utility service,<sup>7</sup> and if the Commission finds that any practice of a utility is unjust, unreasonable, unsafe, improper, inadequate, or insufficient, the Commission will prescribe a practice for the utility that enables the utility to maintain adequate, efficient and reasonable service.<sup>8</sup> Utilities found by the Commission to be in willful violation of any provision of KRS Chapter 278 or 807 KAR Chapter 5 may be subject to the penalties set forth in KRS 278.990.

---

<sup>4</sup> *Annual Report of Mountain Water District to the Public Service Commission for the Year Ending December 31, 2023* (2023 Annual Report) at 36.

<sup>5</sup> 2023 Annual Report at 36.

<sup>6</sup> KRS 278.030(2).

<sup>7</sup> KRS 278.260(1).

<sup>8</sup> KRS 278.280.

## DISCUSSION AND FINDINGS

Based on the current available evidence, the Commission finds an investigation is necessary to determine whether the service provided by any of the individuals or entities identified, and any individual or entity involved but not yet identified, qualifies as a utility or is providing service pursuant to KRS Chapter 278. If the Commission finds that an entity is providing utility service, those entities will be required to provide adequate, efficient and reasonable service for fair, just and reasonable prices pursuant to KRS Chapter 278 and 807 KAR Chapter 5. The Commission finds that, based on the evidence provided, Prater Construction, Twin Diamond, Roopani Development, Appalachian Building Services, and Mountain District shall be named as parties to this investigation.

In order to provide notice of this investigation to additional interested parties, the Commission also finds that the Executive Director shall provide a copy of this Order to the Attorney General and the Energy and Environmental Cabinet's Division of Water.

The Commission directs all entities to the Commission's July 22, 2021, Order in Case No. 2020-00085<sup>9</sup> regarding filings with the Commission. All parties shall be required to follow the procedures for filing outlines in this Order.

IT IS THEREFORE ORDERED that:

1. This proceeding is opened to investigate the jurisdictional status of Twin Diamond, Prater Construction, Roopani Development, and Appalachian Building Services and those entities' compliance with KRS Chapter 278 and 807 KAR Chapter 5.

---

<sup>9</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

2. Twin Diamond, Prater Construction, Roopani Development, Appalachian Building Services, and Mountain District are all made parties to this proceeding.

3. Each named party shall file a response to this Order and the allegations contained herein no less than 30 days after the date of service of this Order.

4. Any interested party may, by counsel, file a motion to intervene within 14 days of the date of service of this Order or, if not served the Order, within 30 days of the issuance date of the Order.

5. Pursuant to 807 KAR 5:001, Section 8(9), within seven days of services of this Order, all named parties shall file a written statement with the Commission that:

a. Certifies that it, or its agent, possess 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 shall be served.

6. Unless a party granted leave to intervene states its objection to the use of electronic filing procedures in a motion for intervention, the party shall:

a. Be deemed to have consented to the use of electronic filing procedures and the service of all papers, including Orders of the Commission, by electronic means; and

b. Within seven days of the date of service of an order of the Commission granting intervention, file with the Commission a written statement that:

(1) It or its authorized agent possesses the facilities to receive electronic transmissions; and

(2) Sets forth the electronic mail address to which all electronic notices and messages related to this proceeding shall be served.

7. If a party object to the use of electronic filing procedures and the Commission determines that good cause exists to excuse that party from the use of electronic filing procedures, service of documents on that party and by that party shall be made in accordance with 807 KAR 5:011, Section 4(8).

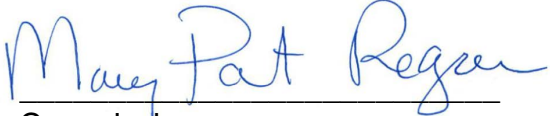
8. All named parties shall respond to any requests for information propounded by Commission Staff, as provided in those requests, whether listed on a procedural schedule or not.

9. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

PUBLIC SERVICE COMMISSION

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Commissioner

  
\_\_\_\_\_  
Commissioner



ATTEST:

  
\_\_\_\_\_  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2024-00271 DATED OCT 01 2024

ONE PAGE TO FOLLOW



*Twin Diamond, LLC*  
*PO Box 52*  
*Prestonsburg, Kentucky 41653*  
*Email: twindiamondcorporation@gmail.com*  
*606.226.3911*

Date: April 22<sup>nd</sup>, 2024

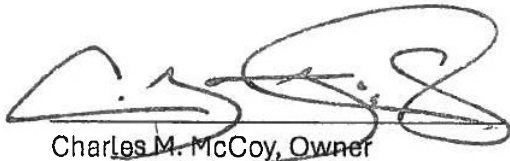
Prater Construction  
36 Maple LN  
Pikeville, KY 41501

Dear Mr. Prater,

We are in the process of setting our own meters for you and/or any customer water usage. Along with this process as of May 01, 2024, we will start billing you a surcharge and processing fee for the use of the pump house. This surcharge will be in the amount of \$450.00 per month plus your water usage.

If you are not in agreement, we will be more than happy to schedule a time for disconnection from the pump house.

Thank you,

A handwritten signature in black ink, appearing to read 'Charles M. McCoy', written over a horizontal line.

Charles M. McCoy, Owner

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2024-00271 DATED OCT 01 2024

ONE PAGE TO FOLLOW

PRATER CONSTRUCTION

36 Maple Ln.  
Pikeville, KY 41501

Ph: 606-631-9740

May 6, 2024

Daniel Isaac  
13 Boulders East  
Pikeville, KY 41501

Twin Diamond LLC has purchased the Mountain View Town Houses which also includes the pump house. Unfortunately, this pump house serves the homes on Boulders East as well as Kevin Prater and Kern Weddington. Kevin is currently trying to find a solution to this unforeseen situation. Regrettably, until then we are all going to incur an additional fee on our water bill of \$64.29. As stated in the letter, this went into effect May 1.

Lesha Prater

Roopani Development Corporation  
249 Kati Street  
Pikeville, KENTUCKY 41501

\*Twin Diamond, LLC  
554 Northmonte Woods  
Pikeville, KENTUCKY 41501

Appalachian Building Services, LLC  
9980 Bent Branch Road  
Pikeville, KENTUCKY 41501

Roopani Development Corporation  
9017 Baywood Park Drive  
Seminole, FLORIDA 33777

Prater Construction  
36 Maple Lane  
Pikeville, KENTUCKY 41501

\*John G Horne, II  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Ray S Jones II  
Judge/Executive  
146 Main Street  
Pike County Courthouse  
Pikeville, KENTUCKY 41501

\*Sarah Gaddis  
Director  
Kentucky Division of Water  
300 Sower Boulevard, 3rd Floor  
Frankfort, KENTUCKY 40601