

**PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 20th day of May 2020.

CASE NO. 20-0397-PWD-GI

PAGE-KINCAID PUBLIC SERVICE DISTRICT,  
a public utility, Kincaid, Fayette County.

**COMMISSION ORDER**

The Commission opens a general investigation into the quality of water service provided by Page-Kincaid Public Service District (Page-Kincaid), requires Page-Kincaid to file certain information and publish notice, and sets a status conference in this matter.

**BACKGROUND**

On June 27, 2019, Page-Kincaid applied for a certificate to rehabilitate its water treatment plant in Fayette County at an estimated cost of \$3,354,000. Page-Kincaid proposed to install three new filters and put the first filter in place in August 2019, as an emergency measure. Page-Kincaid projected that the monthly residential bill for 3,000 gallons would be \$47.40, a ten percent increase over current rates. Page-Kincaid PSD, Case No. 19-0609-PWD-CN, Certificate Application.

On July 1, 2019, the Commission received petitions with more than 400 signatures requesting that the Commission open a general investigation into the management of Page-Kincaid. The petitions alleged that water service is poor, rates are high and little to no effort is being made to address these issues for the long term. Some of the petitioners requested that Page-Kincaid be taken over by another public service provider. The Commission also received more than ten formal complaints from customers that raised similar allegations.

The Commission did not open a general investigation in 2019, because the concerns raised in the petitions and formal complaints would be reviewed in the certificate proceeding.

West Virginia-American Water Company (WVAWC) operates the nearby New River Regional Water Treatment Plant and intervened in the certificate case to evaluate whether an alternative arrangement could be proposed. The Commission Consumer Advocate Division also intervened.

On October 22, 2019, the Commission received public comment at a hearing in Fayetteville.

On November 20, 2019, WVAWC conducted a field visit to review the Page-Kincaid water system.

On December 3, 2019, WVAWC, Page-Kincaid and Staff met to identify additional information that is needed and to discuss a timetable to develop a formal proposal. Page-Kincaid and WVAWC agreed to provide a status report to the Commission by February 21, 2020.

On December 18, 2019, the Commission granted the request of Page-Kincaid to withdraw its certificate application, required water quality reports to be periodically filed and set February 21, 2020, as the deadline for a status report. The Commission stressed the necessity of achieving a resolution:

It is important to maintain the improvements that have occurred with the filter installation and to take steps to further improve the quality of water service that customers of Page-Kincaid receive as soon as is reasonably possible.

Page-Kincaid PSD, Case No. 19-0609-PWD-CN, Comm'n Order at 3 (Dec. 18, 2019) (emphasis in original).

On May 18, 2020, Page-Kincaid issued a Boil Water Advisory of unspecified duration for its entire water system.

### **DISCUSSION**

In certificate proceedings and several formal complaint cases in 2019, the Commission received information about the then-current condition of water delivered to Page-Kincaid customers and plans to make improvements to utility facilities. Page-Kincaid entered into negotiations with WVAWC to consider alternatives to making upgrades to the water treatment plant. The Commission granted Page-Kincaid's request to withdraw the certification application based on the parties agreeing to continue discussion about alternatives to the Page-Kincaid certificate project, including negotiations and discussions related to a wholesale purchased water agreement or an acquisition by WVAWC.

WVAWC and Page-Kincaid made several filings as closed entries in the certificate case to update the Commission, but those filings do not reflect substantial progress.

On December 19, 2019, Page-Kincaid requested information from WVAWC, and on January 27, 2020, WVAWC responded that it was preparing a proposal to submit to Page-Kincaid by January 31, 2020.

On January 31, 2020, WVAWC offered two potential long-term solutions:

- 1) WVAWC would acquire Page-Kincaid's water distribution assets but not the water treatment plant or the sewer system assets. Page-Kincaid would continue to operate the water treatment plant for at least three years and WVAWC would purchase some water supplies from Page-Kincaid until the takeover of the distribution system was complete, or
- 2) WVAWC would sell water to Page-Kincaid under the demand-based Sale for Resale Tariff.

WVAWC also responded to the information requests made by Page-Kincaid.

On February 21, 2020, Page-Kincaid rejected both of the proposals from WVAWC, asserting, among other things, that Page-Kincaid would only consider a proposal from WVAWC to buy both the water and sewer assets. Page-Kincaid Response to WVAWC's Jan. 31 Proposal at 1-3 (filed Feb. 24, 2020).

In a letter dated March 31, 2020, the three commissioners of Page-Kincaid asserted that Page-Kincaid assumed that WVAWC was no longer interested in acquiring the Page-Kincaid system and WVAWC would not intervene when Page-Kincaid refiled its certificate application. Page-Kincaid asked WVAWC to "confirm receipt and acceptance by C.O.B. on April 3, 2020. If we do not hear from you, we will assume the same." Page-Kincaid Ltr. to WVAWC (filed Apr. 21, 2020).

On April 8, 2020, WVAWC responded to Page-Kincaid, writing that WVAWC believes there is a path forward but needed to conduct due diligence on the sewer assets. WVAWC wrote that Page-Kincaid had not yet provided information about the sewer system:

On December 17, 2019, document requests were sent to the District that included two pages of requests for information on the sewerage system. To date, we have not received a response to those requests, which we find stands in curious contrast to the District's insistence on the importance of its sewerage system being part of the transaction. Please provide responses to these requests so that they can be reviewed and a due diligence site visit can be scheduled for the District's sewerage assets.

WVAWC Response to Page-Kincaid at 1-3 (filed Apr. 8, 2020). WVAWC also asked Page-Kincaid for updated cost information, if it was available.

On April 15, 2020, Page-Kincaid's commissioners wrote that Page-Kincaid considered the April 8, 2020 letter from WVAWC to be null and void because WVAWC missed the April 3, 2020 deadline to respond. Page-Kincaid Ltr. to WVAWC (filed Apr. 22, 2020).

The Commission will open a general investigation and require Page-Kincaid to provide WVAWC the information about the sewer assets of Page-Kincaid that WVAWC requested on December 17, 2019. The Commission also will set a Status Conference to receive updates from Page-Kincaid regarding the quality of the water that Page-Kincaid is delivering to its customers and its discussions with WVAWC. The boil water advisory heightens the necessity to explore all available alternatives. It is imperative that Page-Kincaid move quickly to develop a plan to improve the quality of water and water service provided to Page-Kincaid customers.

We remind the parties to this case that pursuant to Rule 4.1.4 of the Commission Rules of Practice and Procedure, 150 C.S.R. Series 1, a corporation must be represented by counsel. Pursuant to W. Va. Code § 16-13A-3, Page-Kincaid is a public corporation. Page-Kincaid must, therefore, be represented by counsel in this matter.

### **FINDINGS OF FACT**

1. On December 17, 2019, WVAWC requested information from Page-Kincaid regarding the sewer system. WVAWC Response to Page-Kincaid at 1-3 (filed Apr. 8, 2020).
2. To date, Page-Kincaid has not provided the information that WVAWC requested relating to the sewer system. Id.
3. On May 18, 2020, Page-Kincaid issued a Boil Water Advisory of unspecified duration for its entire water system.

### **CONCLUSION OF LAW**

The Commission should open a General Investigation into the quality of service provided by Page-Kincaid.

**ORDER**

IT IS THEREFORE ORDERED that a General Investigation into the quality of water service provided by Page-Kincaid Public Service District is opened. Page-Kincaid and West Virginia-American Water Company are named respondents.

IT IS FURTHER ORDERED that on or before June 10, 2020, Page-Kincaid shall file the information about its sewer system that WVAWC requested on December 17, 2019. Page-Kincaid shall serve the information upon WVAWC at the same time that Page-Kincaid files the information with the Commission.

IT IS FURTHER ORDERED that a Status Conference is set for 9:30 a.m. Thursday, July 16, 2020, in the Howard M. Cunningham Hearing Room at the Commission's headquarters, 201 Brooks Street, Charleston, West Virginia.

IT IS FURTHER ORDERED that Page-Kincaid shall cause the attached Notice of General Investigation to be published as provided in W. Va. Code § 59-3-1 et seq. one time as soon as possible in each county in which Page-Kincaid provides service. Page-Kincaid shall file the Affidavit of Publication promptly upon its receipt.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this Order by electronic service on all parties of record who have filed an e-service agreement, and by United States First Class Mail on all parties of record who have not filed an e-service agreement, and on Commission Staff by hand delivery.

A True Copy, Teste,



Connie Graley, Executive Secretary

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CASE NO. 20-0397-PWD-GI

PAGE-KINCAID PUBLIC SERVICE DISTRICT,  
a public utility, Kincaid, Fayette County.

### **NOTICE OF GENERAL INVESTIGATION**

In certificate proceedings and several formal complaint cases in 2019, the Public Service Commission of West Virginia received information about the then-current condition of water delivered to customers of Page-Kincaid Public Service District and plans to make improvements to utility facilities. Page-Kincaid entered into negotiations with West Virginia-American Water Company to consider alternatives to making upgrades to the water treatment plant. The Commission granted Page-Kincaid's request to withdraw the certification application based on the parties agreeing to continue discussion about alternatives to the Page-Kincaid certificate project, including negotiations and discussions related to a wholesale purchased water agreement or an acquisition by WVAWC.

On May 19, 2020, a boil water advisory was issued for the entire water system of Page-Kincaid. The boil water advisory heightens the necessity to explore all available alternatives.

On May 20, 2020, the Commission opened a General Investigation into the quality of water service provided by Page-Kincaid. The Commission set a Status Conference for July 16, 2020 at 9:30 a.m., made Page-Kincaid and WVAWC respondents, and required Page-Kincaid to provide information about its sewer system to WVAWC so that WVAWC can evaluate whether to make a proposal regarding the sewer system.

At the Status Conference, the Commission will discuss proposals to improve the quality of water that is being provided to Page-Kincaid customers. The Commission will conduct the Status Conference pursuant to public health and safety guidelines that were issued in response to the COVID-19 pandemic.

The Commission will not receive oral comments during the Status Conference. Interested persons may file comments (which include the case number listed above) online or by United States Mail addressed to Connie Graley, Executive Secretary, 201 Brooks Street, Charleston, WV 25301. Interested persons also may view a livestream of the Status Conference. Go to the Commission's website, [www.psc.state.wv.us](http://www.psc.state.wv.us), for links to Case Information, Submit a Comment and Commission Webcast.

PAGE-KINCAID PUBLIC SERVICE DISTRICT