



Public Service Commission of West Virginia

Contact: Susan Small, 304-340-0820, ssmall@psc.state.wv.us



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PSC Initiates General Investigation into WVAWC's Response to MCHM Spill

The Public Service Commission of West Virginia today ordered a General Investigation into the response of West Virginia American Water Company (WVAWC) following the January 9, 2014 Freedom Industry spill of crude 4-methylcyclohexane methanol (MCHM) that resulted in a "do not use" notice affecting approximately 100,000 WVAWC's customers.

The focus of the investigation will be whether, at the time of and under the circumstances that existed with the spill, the actions of WVAWC in reacting to the spill and the presence of MCHM in its raw water or finished water supply constitute unreasonable or inadequate practices, acts or services as provided for in State Law. Included in the information WVAWC is ordered to provide to the Commission is a chronological description of actions taken by the company beginning when any employee, representative of its parent company or service company became aware of the spill; locations and measurements of MCHM discovered in the water; the process and factors used to decide whether to close the intake structure at its Charleston water treatment facility, including which, if any, outside agencies were consulted and who ultimately made the decision regarding the continued intake of raw water from the Elk River; and a description of alternatives for water treatment or alternative or supplemental sources of treated or finished water were considered by WVAWC after it became aware of the spill. According to today's Order, the deadline for parties to file requesting intervenor status in this proceeding is June 25, 2014. An evidentiary hearing will be held in Charleston October 7-9, 2014.

The Commission pointed out in today's Order that the responsibility for developing quality standards for drinking water supplies is under the jurisdiction of the Bureau for Public Health of the West Virginia Department of Health and Human Resources, and will not be debated or determined in this investigation. No costs for the spill are currently in WVAWC rates and the investigation is not a review of what, if any, costs borne by WVAWC as a direct result of the spill may be passed on to customers.

The Commission has received a number of formal complaints from WVAWC customers regarding the consequences of the chemical spill. The complaints are wide-ranging, but generally focus on the difficulties created by the inability of customers to use

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the water supplied by WVAWC during the “do not use” period. Because of the substantial overlap among the complainants regarding the primary issue of lack of quality water, in order to avoid duplication of effort, Commission stated in its Order it is holding in abeyance the complaints from WVAWC's customers regarding the consequences of the chemical spill pending the outcome of this investigation.

A copy of the Commission Order can be accessed on the Commission's website, www.psc.state.wv.us by referencing Case No. 14-0872-W-GI.

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