

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PARADISE VALLEY SEWAGE PLANT, INC.,)
FOR AN ORDER PURSUANT TO CHAPTER 278)
OF THE KENTUCKY REVISED STATUTES) CASE NO. 10108
AUTHORIZING AND PERMITTING AN ADJUST-)
MENT IN RATES FOR THE EXISTING SEWAGE)
TREATMENT PLANT SERVING PARADISE)
VALLEY SUBDIVISION AND PARADISE ACRES,)
JOHNSON COUNTY, KENTUCKY)

O R D E R

On April 21, 1988, the Attorney General of the Commonwealth of Kentucky, by and through his Utility and Rate Intervention Division ("Attorney General"), filed a Motion for a formal hearing in this proceeding. The Attorney General also requested the Commission "reexamine its findings and orders in Case No. 8814, Kentucky Public Service Commission v. Suburban Sewage Treatment, Inc., for the purpose of determining the appropriateness of ordering sanctions therein."

On July 13, 1987, the Commission entered an Order approving the transfer of control and operation of Paradise Valley Sewer System (a/k/a Suburban Sewage Treatment, Inc.) to Paradise Valley Sewage Plant, Inc., in Case No. 9946, Application of Paradise Valley Sewage Plant, Inc., For Authority To Acquire And Operate The Paradise Valley Sewer System in Johnson County, Kentucky. Pursuant to the lease agreement between the parties (which formed the basis for the transfer in Case No. 9946), the Pelphreys have

passed control and sole responsibility for operations to Paradise Valley Sewage Plant, Inc. The Commission, at this point, fails to see what relevance those issues raised in Case No. 8814 have to the present proceeding and suggests that as a result of the approved transfer of control of this utility it should no longer assert jurisdiction over Paul and Justine Pelphrey as prior owners/operators of the system.

During April, 1988, the Commission received letters from various customers of Paradise Valley Sewage Plant, Inc., requesting both limited and full intervention. The Commission, having treated two of those letters as Motions, granted limited intervention to Mr. and Mrs. Grant Adams (Order entered April 13, 1988) and Donald and Myrtle Dorton (Order entered April 18, 1988).

By letter filed April 21, 1988, 13 customers (including both the Adams and Dortons) requested a formal hearing and full intervention in this proceeding. Under 807 KAR 5:001, Section 3(8) requests for full intervention must be accompanied by a statement specifying the interest of the party or showing a party has a special interest in the proceeding which will not be otherwise adequately represented. The Commission notes that the Attorney General has intervened in this proceeding and pursuant to KRS Chapter 367 represents the ratepayers' interests. Therefore, there being no special interests asserted in the letter of April 21, 1988, and due to the fact that the Attorney General has intervened to represent the ratepayers' interest, the Commission will treat the letter as a Motion for limited intervention.

The Commission, having considered the Motions addressed herein and being advised, HEREBY ORDERS that:

1. The Motions for a formal hearing are hereby granted and the hearing is scheduled on June 1, 1988, at 1:30 p.m., Eastern Daylight Time, in the Commission's Offices, Frankfort, Kentucky. The sole purpose of this hearing shall be to receive testimony and evidence of the proposed rates.

2. Those residents of Paradise Valley and Paradise Acres so requesting are hereby granted limited intervention.

3. Paradise Valley Sewage Plant, Inc., shall give notice of the hearing in accordance with the provisions of 807 KAR 5:011, Section 8(5).

Done at Frankfort, Kentucky this 12th day of May, 1988.

PUBLIC SERVICE COMMISSION

Richard D. Hemminger
For The Commission

ATTEST:

Executive Director