

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF NI-COLE CONSTRUCTION, INC. AND GENEVIEVE STEWART)	
_____)	
ALLEGED VIOLATION OF KRS CHAPTER 278)	CASE NO.
)	91-007
)	

SHOW CAUSE ORDER

Ni-Cole Construction, Inc. ("Ni-Cole") was incorporated in Kentucky in 1972 by Herbert Stewart. Commission records indicate that Ni-Cole owns and operates a sewage treatment plant serving approximately 11 customers in Perry County, Kentucky, although corporate records on file with the Kentucky Secretary of State reveal that the corporation's charter was revoked in May of 1985. According to Commission records, Genevieve Stewart is the current president of the utility.

KRS 278.280 authorizes the Commission to prescribe rules for the performance of any service furnished or supplied by a utility. 807 KAR 5:071, Section 7, requires sewage treatment facilities to be constructed, installed, maintained, and operated in accordance with good engineering practice.

On March 15, 1990, Commission Staff conducted an inspection of Ni-Cole's sewage treatment plant for compliance with the above regulation. Staff subsequently submitted to the Commission a Utility Inspection Report, attached hereto as Exhibit A and

incorporated herein by reference, which reported multiple instances of plant maintenance and operation which were not in conformity with accepted good engineering practices. The Commission provided a copy of the Utility Inspection Report to Ni-Cole and Genevieve Stewart by letter dated March 20, 1990. That letter instructed Ni-Cole to respond to the report no later than April 20, 1990, the response to include a schedule for correction of the deficiencies and the related cost for each improvement. Ni-Cole was also reminded that several of the deficiencies listed were repeat violations noted in the inspection reports of 1988 and 1989, and that failure to correct the violations could be considered cause for the initiation of enforcement proceedings. On May 8, 1990, Ni-Cole responded to the report, requesting an extension of time until July 15, 1990 to correct the deficiencies.

A reinspection of Ni-Cole's facilities was conducted by Commission Staff on October 24, 1990 to determine if the deficiencies reported in March of 1990 had been corrected. That reinspection report, attached hereto as Exhibit B and incorporated herein by reference, reveals that most of the deficiencies reported in March of 1990 have not been corrected.

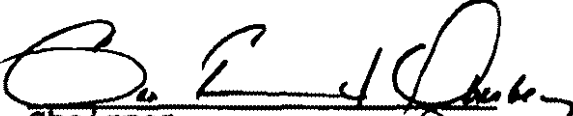
The Commission finds from Exhibits A and B that a prima facie showing has been made that Ni-Cole and Genevieve Stewart have violated 807 KAR 5:071, Section 7, by failing to maintain and operate the sewer treatment facility in accordance with accepted good engineering practices.

IT IS THEREFORE ORDERED that Genevieve Stewart, individually, and as president of Ni-Cole, shall appear at a hearing scheduled for February 15, 1991 at 9:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, and be prepared to show cause why Ni-Cole and Genevieve Stewart should not be penalized pursuant to KRS 278.990 for failing to comply with 807 KAR 5:071, Section 7.

IT IS FURTHER ORDERED that Ni-Cole shall submit a written response to all allegations contained herein within 20 days of the date of this Order.

Done at Frankfort, Kentucky, this 14th day of January, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

March 20, 1990

Ms. Genevieve Stewart
President
Ni-Cole Construction, Inc.
P. O. Box 711
Hazard, KY 41701

Dear Ms. Stewart:

On March 15, 1990, Ni-Cole Construction, Inc., sewage facilities were inspected for compliance with KRS 278 and Commission regulations. A report on this inspection has been prepared, and a copy is enclosed for your review. The recommended improvements included in this report are necessary to bring your facilities into compliance with Commission regulations.

Please respond to this Report by April 20, 1990, outlining a correction schedule and the related cost of each improvement. If you require any clarification on the recommended improvements, please contact Larry N. Updike at (502) 564-7590 on this matter.

Sincerely,

A handwritten signature in cursive script that reads "Eddie B. Smith".

Eddie B. Smith, Manager
Water & Sewer Branch
Division of Utility Engineering
& Services

EBS:LNU:aem
Enclosure

Commonwealth of Kentucky
Public Service Commission

UTILITY INSPECTION REPORT

Ni-Cole Construction, Inc.
Perry County, Kentucky

Utility operations, utility maintenance, utility management and their impact on utility services and operating costs are a primary concern of the Commission and this Division. Our ongoing inspection program is to determine if the utility is in compliance with Kentucky Revised Statutes (KRS Chapter 278), Public Service Commission (PSC) Regulations (807 KAR) and that adequate, efficient and reasonable service is being provided.

Daily maintenance, daily operations and good operating records are essential in the operation of an efficient utility. Our inspections are intended to determine if the utility is in compliance with PSC regulations in these areas.

On March 15, 1990, Ni-Cole Construction, Inc., sewage treatment system was inspected for compliance with KRS Chapter 278 and PSC regulations (807 KAR). This utility consists of a wastewater treatment plant and a collection system. This system is located in Perry County and has approximately 11 customers. No representative of the utility was present during the inspection of sewage treatment plant.

The improvements or corrections necessary to bring this facility into compliance with KRS Chapter 278 and PSC regulations (807 KAR) are as follows:

1. The clarifier is gray to black in color which indicates a septic condition. The side of the clarifier should be scraped and the sludge removed from the clarifier. (807 KAR 5:071, Section 7, 1)
2. The chlorine contact basin needs to be cleaned of sludge. (807 KAR 5:071, Section 7, 1)
3. Water service is needed at the plant for cleanup. (807 KAR 5:071, Section 7, 1)
4. The chlorine treatment needs to be added properly. (807 KAR 5:071, Section 7, 1)
5. The stream below the plant needs to be cleaned of sludge. (807 KAR 5:071, Section 7, 1)
6. The grating on the plant needs to be inspected and replaced where necessary. (807 KAR 5:071, Section 7, 4)
7. The grating needs to be locked to the plant for safety. (807 KAR 5:071, Section 7, 4)
8. The skimmer in the clarifier needs to be repaired and put in operation. (807 KAR 5:071, Section 7, 1)
9. The sludge return in the clarifier needs to be repaired and put in operation. (807 KAR 5:071, Section 7, 1)
10. The sludge on the ground from the effluent line needs to be limed. (807 KAR 5:071, Section 7, 1)
11. A backup blower and motor unit or immediate access to one is needed in case of an emergency. (807 KAR 5:071, Section 7, 1)
12. The plant is currently being operated without a comminutor. As long as the plant can be operated satisfactorily and produce an acceptable effluent the Commission may not require the use of a comminutor. However, the utility must monitor plant operations and immediately install a functioning comminutor should conditions warrant. (807 KAR 5:071, Section 7, 1)

13. More air needs to be induced in the aeration basin to help correct the odor problem and produce the proper dissolved oxygen. (807 KAR 5:071, Section 7, 1)
14. A certified plant operator is needed for this plant. (807 KAR 5:071, Section 7, 1)
15. The existing blower/motor unit needs to be repaired or replaced and put in operation. (807 KAR 5:071, Section 7, 1)
16. The sewer line approximately 10-15 feet from where it connects to the plant needs to be checked to see if it is broken. If so, it should be repaired. (807 KAR 5:071, Section 7, 1)


Recommendations

The repair or correction of the deficiencies listed above is necessary in order to restore this facility to an acceptable operating condition. The pertinent section of the Kentucky Administrative Regulations has been listed by each deficiency for your convenience. A written response should be prepared and forwarded to the Commission by April 20, 1990, outlining a correction schedule stating what has been completed or what will be done to correct each deficiency and the related cost of each correction. A starting date and a completion date should be given for corrections that are to be completed after the date this response is mailed.

Items 1 through 14 listed above are repeat violations. These violations were noted in the inspection report of April 21, 1988 and April 25, 1989. The Commission staff feels that an appropriate amount of time has been allowed to correct these

deficiencies. We are concerned about the utility's failure to make all corrections necessary to bring the facility into compliance with KRS 278 and PSC regulations (807 Chapter KAR). The failure to correct any violations may be considered cause for enforcement proceedings to be initiated. If such action becomes necessary, penalties may be imposed against the utility pursuant to KRS 278.990.

Submitted,
March 20, 1990


Larry M. Updike
Utility Investigator 255

CGR:LNU:aem

Commonwealth of Kentucky
Public Service Commission

UTILITY REINSPECTION REPORT

Ni-Cole Construction, Inc.
Perry County, Kentucky

On October 24, 1990, a reinspection of Ni-Cole Construction, Inc. was conducted. The purpose of the reinspection was to see what progress, if any, had been made to date on the improvements or corrections recommended in the Public Service Commission Staff inspection report dated March 20, 1990. The proposed improvements and corrections and their current status are as follows:

1. The clarifier is gray to black in color which indicates a septic condition. The side of the clarifier should be scraped and the sludge removed from the clarifier.

Current Status: Has not been corrected

2. The chlorine contact basin needs to be cleaned of sludge.

Current Status: Has not been corrected

3. Water service is needed at the plant for cleanup.

Current Status: Water is still needed

4. The chlorine treatment needs to be added properly.

Current Status: Has not been corrected

5. The stream below the plant needs to be cleaned of sludge.

Current Status: Sludge deposits are not evident.

6. The grating on the plant needs to be inspected and replaced where necessary. (see Amendment A)

Current Status: Has not been corrected

7. The grating needs to be locked to the plant for safety.

Current Status: Has not been corrected

8. The skimmer in the clarifier needs to be repaired and put in operation.

Current Status: Has not been corrected

9. The 2 sludge returns in the clarifier need to be repaired and put in operation. (see Amendment A)

Current Status: Has not been corrected

10. The sludge on the ground from the effluent line needs to be limed.

Current Status: Sludge on the ground is not evident

11. A backup blower and motor unit or immediate access to one is needed in case of an emergency.

Current Status: Is still needed

12. The plant is currently being operated without a comminutor. As long as the plant can be operated satisfactorily and produce an acceptable effluent the Commission may not require the use of a comminutor. However, the utility must monitor plant operations and immediately install a functioning comminutor should conditions warrant.

Current Status: Is still needed

13. More air needs to be induced in the aeration basin to help correct the odor problem and produce the proper dissolved oxygen.

Current Status: Has not been corrected

14. A certified plant operator is needed for this plant.

Current Status: Unknown

15. The existing blower/motor unit needs to be repaired or replaced and put in operation.

Current Status: Has been corrected


16. The sewer line approximately 10-15 feet from where it connects to the plant needs to be checked to see if it is broken. If so, it should be repaired.

Current Status: Has been corrected

In addition, 3 diffuser drops need to be repaired and put in operation (see Amendment B).

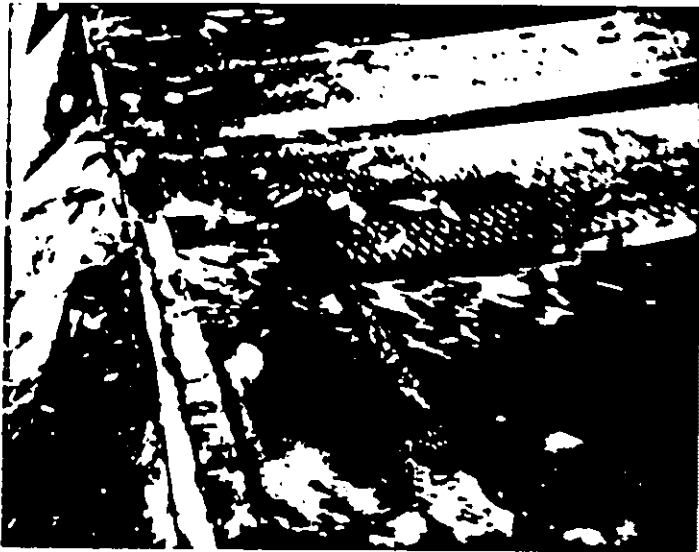
The existing conditions of the sewage treatment system violates the Public Service Commission regulations 807 KAR 5:071, Section 7(1) and KRS 278.

Submitted,
October 31, 1990

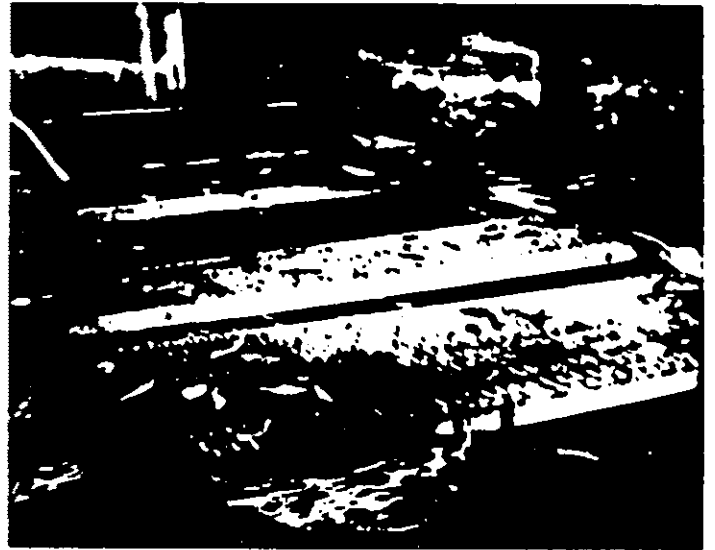

Larry M. Updike
Utility Investigator

CGR:LNU:aem

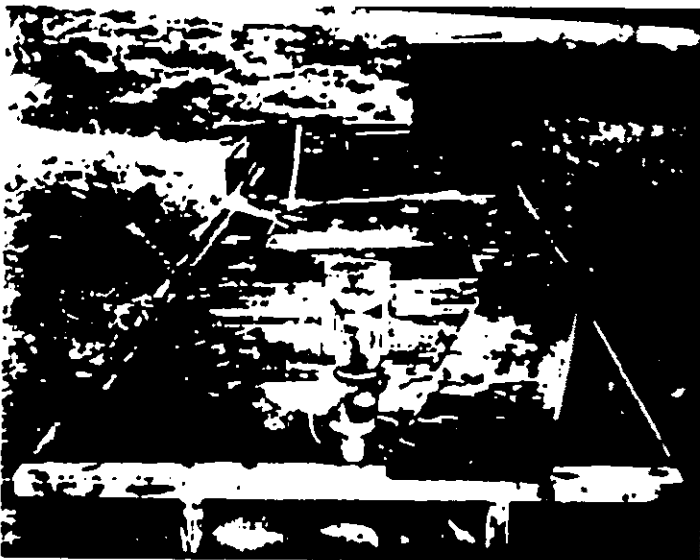
AMENDMENT A



SI-COLE CONST., INC. (10-24-90)
Sludge Return not working



SI-COLE CONST., INC. (10-24-90)
Sludge Return not working

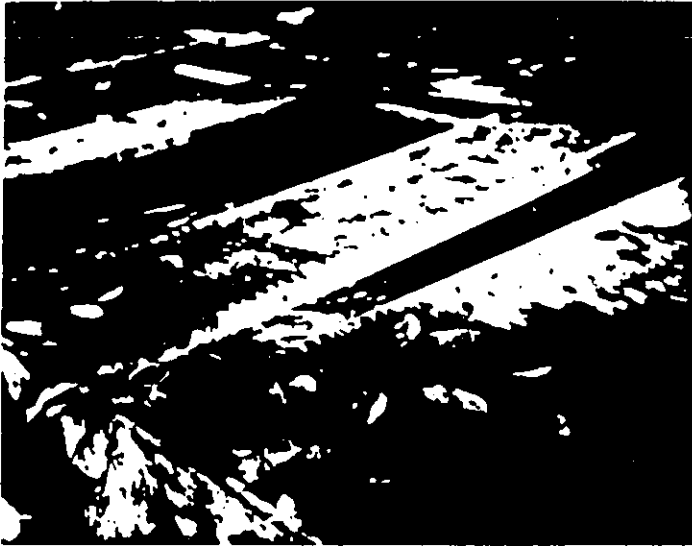


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Sludge Return not working

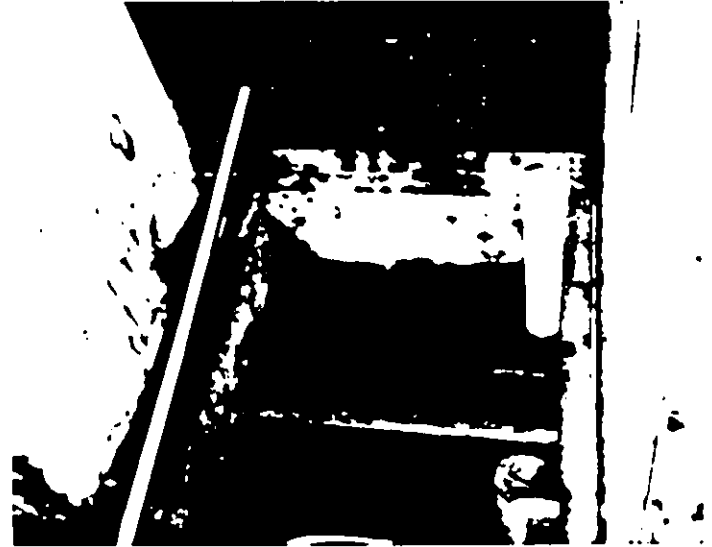


SI-COLE CONST., INC. (10-24-90)
Sludge Return not working

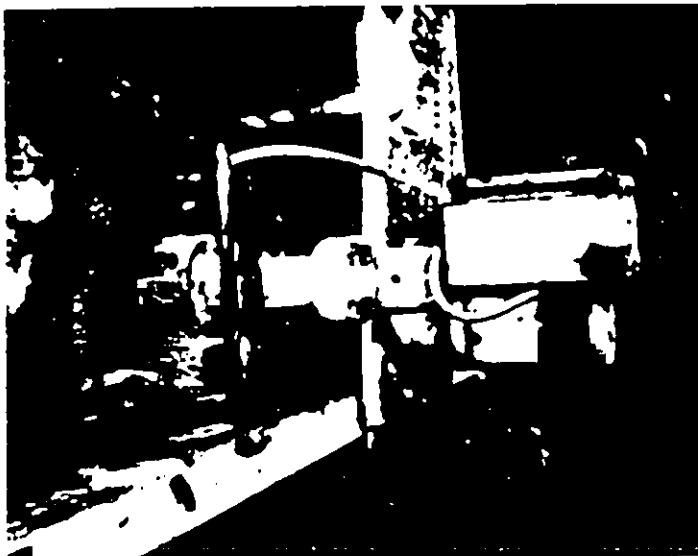
AMENDMENT B



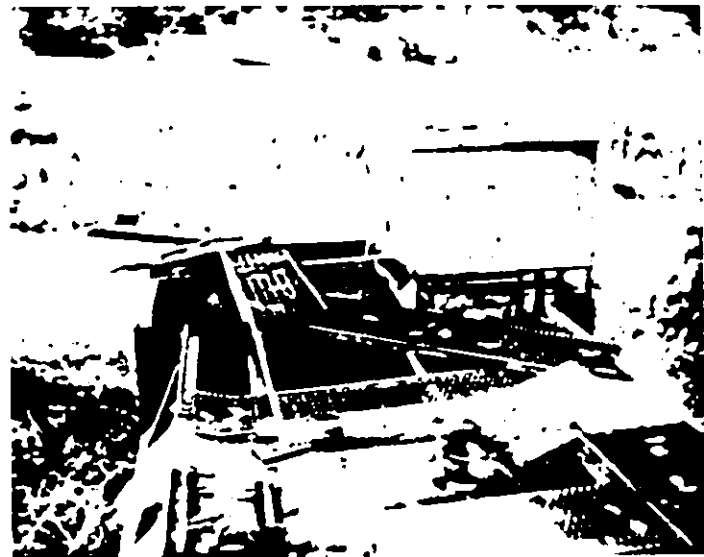
11-21-70
- Chlorination Plant in Clarifier



11-21-70
- Chlorination Plant in Clarifier



11-21-70
- Chlorination Plant in Clarifier



11-21-70
- Chlorination Plant in Clarifier