

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF CONSTRUCTION BY)	
SOUTHERN MADISON WATER DISTRICT,)	CASE NO.
H. WAYNE LUNSFORD, LEONARD HAYS,)	91-188
HOWARD WOODSON, AND RAY CURRY)	

O R D E R

On June 19, 1991, the Commission issued a show cause Order against Southern Madison Water District ("Southern Madison"), H. Wayne Lunsford, Leonard Hays, Howard Woodson, and Ray Curry, hereinafter collectively referred to as "Respondents." The Order alleged that Southern Madison constructed a 90,000 gallon water storage tank, 1,525 feet of 4-inch connecting water lines, and related appurtenances without obtaining a Certificate of Public Convenience and Necessity from the Commission, in violation of KRS 278.020.

Commission Staff and representatives from Southern Madison held an informal conference on July 31, 1991. As a result of that conference, Staff and the Respondents have entered into the Settlement Agreement which is attached hereto as Appendix A. Pursuant to the terms of the Settlement Agreement, H. Wayne Lunsford, Leonard Hays, and Howard Woodson, individually, agree to pay a penalty of \$500 each in settlement of this matter.

Having reviewed the Settlement Agreement and being otherwise sufficiently advised, the Commission finds that the Settlement

Agreement is reasonable and lawful and is supported by substantial evidence of record.

IT IS THEREFORE ORDERED that:

1. The terms and conditions set forth in the Settlement Agreement are hereby approved and adopted.

2. The Settlement Agreement, attached hereto as Appendix A, is incorporated herein by reference as if fully set forth herein.

3. Within six months of the date of this Order, H. Wayne Lunsford, Leonard Hays, and Howard Woodson, individually, shall tender to the Commission personal certified checks in the amount of \$500 each, said checks to be payable to the Kentucky State Treasurer as settlement in full of this matter and mailed to the Kentucky Public Service Commission at 730 Schenkel Lane, Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 24th day of September, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director

APPENDIX A
APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 91-188 DATED 9/24/91

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INVESTIGATION OF CONSTRUCTION BY)	
SOUTHERN MADISON WATER DISTRICT,)	CASE NO.
H. WAYNE LUNSFORD, LEONARD HAYS,)	91-188
HOWARD WOODSON, AND RAY CURRY)	

SETTLEMENT AGREEMENT

On June 19, 1991, the Commission issued a show cause Order against Southern Madison Water District ("Southern Madison"), H. Wayne Lunsford, Leonard Hays, Howard Woodson, and Ray Curry, hereinafter collectively referred to as "Respondents." The Order alleged that Southern Madison constructed a 90,000 gallon water storage tank, 1,525 feet of 4-inch connecting water lines, and related appurtenances without obtaining a Certificate of Public Convenience and Necessity from the Commission, in violation of KRS 278.020.

An informal conference was held on July 31, 1991 between Commission Staff and representatives of Southern Madison. As a result of that conference, Staff and Respondents have entered into this proposed Settlement Agreement with the understanding that its effectiveness is conditioned upon its acceptance by the Commission.

The Respondents stipulate that Southern Madison began construction of the facilities described above before obtaining a

Certificate of Public Convenience and Necessity from the Commission, in violation of KRS 278.020. However, Respondents submit that Southern Madison's failure to obtain said certificate was inadvertent and there was no intent on the part of the Respondents to misrepresent the construction to the Commission.

In a joint effort to resolve this matter and to avoid additional time and expense on the part of both the Commission and the Respondents, the signatories hereto agree to the compromise of the case set out herein.

NOW, THEREFORE, the signatories agree that:

1. The sum of \$1500 will be paid in settlement of this matter. Within six months of date of entry of an Order of the Commission approving and adopting this Settlement Agreement, H. Wayne Lunsford, Leonard Hayes, and Howard Woodson, individually, will tender to the Commission personal certified checks in the amount of \$500 each, said checks to be payable to the Kentucky State Treasurer as settlement in full of this matter.

2. This Settlement Agreement constitutes a final adjudication of all allegations raised in the Commission's show cause Order of June 19, 1991.

AGREED TO:

Kathleen B. Dorman
KATHLEEN B. DORMAN
Counsel for Commission Staff

9/6/91
(date)

H. Wayne Lunsford
H. WAYNE LUNSFORD
Commissioner of Southern
Madison Water District

8-30-91
(date)

Leonard E. Hayes 2

LEONARD HAYES
Commissioner of Southern
Madison Water District

8-30-91
(date)

Howard Woodson

HOWARD WOODSON
Commissioner of Southern
Madison Water District

8/29/91
(date)

Ray Curry

RAY CURRY
Superintendent of Southern
Madison Water District

8-30-91
(date)

Chit Weldon

C. MICHAEL WELDON
Counsel for Respondents

9-4-91
(date)