

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF AIRVIEW)	
ESTATES, INC.)	
_____)	CASE NO. 98-129
)	
ALLEGED FAILURE TO COMPLY WITH)	
COMMISSION REGULATION 807 KAR)	
5:071 SECTION 7(1))	

O R D E R

Airview Estates, Inc. ("Airview") was incorporated in Kentucky in 1980 by Fred Schlatter. Commission records indicate that Airview owns and operates a sewage treatment system consisting of a wastewater treatment plant, a collection system and a lagoon. The system is located in Hardin County, Kentucky and serves approximately 206 customers. According to Commission records, Fred Schlatter is the current president of the corporation.

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 accepted good engineering practice.

On January 14, 1997, Commission Staff conducted an inspection of Airview sewage facilities for compliance with KRS Chapter 278 and Commission regulations. Staff subsequently submitted to the Commission a Utility Inspection Report, attached hereto as Appendix A and incorporated herein by reference, which reported multiple

instances of plant maintenance and operation which were not in conformity with accepted good engineering practice. The Commission provided a copy of the Utility Inspection Report to Fred Schlatter and Airview by letter dated January 23, 1997. The letter instructed Fred Schlatter as president of Airview to respond to the report no later than February 24, 1997, including in his response a schedule for correction of the deficiencies and the related cost of each improvement. The Commission, having not received a response from Airview, provided another copy of the Utility Inspection Report of January 14, 1997 to Airview in a letter dated June 10, 1997, which informed Airview that failure to correct the violations could be considered cause for the initiation of enforcement proceedings. Airview again did not respond. The Commission once again informed Airview by letter dated November 12, 1997, that it must respond to the deficiencies cited in the Utility Inspection Report or it would be subjected to further action by the Commission as authorized by law. The Commission never received a response from Airview so a reinspection of Airview was conducted by Commission Staff on January 13, 1998, to determine if the deficiencies reported in January 1997 had been corrected. That reinspection report, attached hereto as Appendix B and incorporated herein by reference, reveals that most of the deficiencies reported in January of 1997 have not been corrected.

The Commission finds from Appendices A and B that a prima facie showing has been made that Airview has violated 807 KAR 5:071, Section 7, by failing to maintain and operate the sewer treatment facility in accordance with accepted good engineering practice.

IT IS HEREBY ORDERED that:


1. Fred Schlatter, President of Airview Estates, Inc., shall appear at a hearing scheduled for May 27, 1998 at 9:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky and be prepared to show cause why Airview should not be penalized pursuant to KRS 278.990 for failing to comply with 807 KAR 5:071, Section 7.

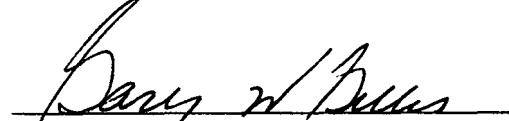
2. Airview shall submit a written response to all allegations contained herein within 20 days of the date of this Order.

Done at Frankfort, Kentucky, this 16th day of March, 1998.


PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 98-129 DATED MARCH 16, 1998

Commonwealth of Kentucky
Public Service Commission

UTILITY INSPECTION REPORT

Airview, Inc.
Louisville, 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 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 January 14, 1997, Airview, 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, a collection system and a lagoon. This system is located in Hardin County and has approximately 206 customers. Providing information and assistance during the inspection was Rick Mills, plant operator.

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

Airview Estates Subdivision Plant

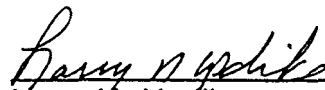
1. The electric line between the sewer plant and the building housing the chlorine contact tank needs to be raised for safety per 807 KAR 5:071 Sec.7(1).

2. The lagoon impoundment bank needs to be inspected for muskrat damage and repaired if necessary as per 807 KAR 5:071 Sec.7(1).
3. The grass and weeds around the surface edge of the lagoon need to be cut as per 807 KAR 5:071 Sec.7(1).
4. The check valve for the No. 1 blower/motor unit needs to be repaired or replaced as per 807 KAR 5:071 Sec.7(1).
5. The leak in the No. 2 air drop valve needs to be repaired as per 807 KAR 5:071 Sec.7(1).
6. The No. 10 and No. 11 diffusers need to be pulled and cleaned as per 807 KAR 5:071 Sec.7(1).
7. The leak in the line feeding the chlorine to the chlorination unit needs to be repaired as per 807 KAR 5:071 Sec.7(1).
8. The lagoon is high in sludge deposits. The lagoon needs to be closely monitored for overloading conditions. Before overloading occurs, the lagoon should be dredged as per 807 KAR 5:071 Sec.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 February 24, 1997 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.

Submitted,
January 23, 1997



Larry N. Updike
Utility Investigator

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APPENDIX B

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 98-129 DATED

Commonwealth of Kentucky
Public Service Commission

UTILITY REINSPECTION REPORT

Airview, Inc.
Louisville, Kentucky

A reinspection was conducted on January 13, 1998. The current status of each deficiency is as follows:

Airview Estates Subdivision Plant

1. The electric line between the sewer plant and the building housing the chlorine contact tank needs to be raised for safety per 807 KAR 5:071 Sec.7(1).

Current Status: The electric line has been raised.

2. The lagoon impoundment bank needs to be inspected for muskrat damage and repaired if necessary as per 807 KAR 5:071 Sec.7(1).

Current Status: Is still needed.

3. The grass and weeds around the surface edge of the lagoon need to be cut as per 807 KAR 5:071 Sec.7(1).

Current Status: Grass and weeds still need to be cut.

4. The check valve for the No. 1 blower/motor unit needs to be repaired or replaced as per 807 KAR 5:071 Sec.7(1).

Current Status: Is still needed.

5. The leak in the No. 2 air drop valve needs to be repaired as per 807 KAR 5:071 Sec.7(1).

Current Status: Is still needed.

6. The No. 10 and No. 11 diffusers need to be pulled and cleaned as per 807 KAR 5:071 Sec.7(1).

Current Status: Is still needed.

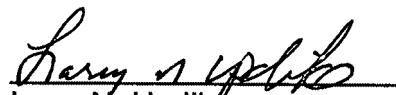
7. The leak in the line feeding the chlorine to the chlorination unit needs to be repaired as per 807 KAR 5:071 Sec.7(1).

Current Status: Leak has been repaired.

8. The lagoon is high in sludge deposits. The lagoon needs to be closely monitored for overloading conditions. Before overloading occurs, the lagoon should be dredged as per 807 KAR 5:071 Sec.7(1).

Current Status: Sludge deposits still high.

Submitted,
February 9, 1998


Larry N. Updike
Utility Investigator

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