

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF THE OPERATION OF)	
RIDGELEA INVESTMENTS, INC. OF FARMGATE,)	
EDGEWOOD AND MEADOWBROOK)	CASE NO. 2008-00378
WASTEWATER TREATMENT FACILITIES IN)	
FRANKLIN COUNTY, KENTUCKY)	

ORDER

Ridgelea Investments, Inc. ("Ridgelea"), a Kentucky corporation, owns and operates sewage treatment facilities that serve the Farmgate, Edgewood, and Meadowbrook Subdivisions in Franklin County, Kentucky. On August 29, 2008, Ridgelea submitted to the Commission an application for rate adjustment and further notified its customers of that application.¹ In response to this application, several customers filed a written petition with the Commission in which they complained about several aspects of the operation of the utility's sewage treatment facilities.

On September 18, 2008, the Commission on its own motion established this proceeding to investigate the condition of Ridgelea's sewage collection and treatment facilities in Franklin County, Kentucky. We directed Commission Staff to inspect Ridgelea's sewage collection and treatment facilities in Franklin County. On October 2, 2008, Commission Staff inspected these facilities for compliance with Commission regulations and to verify conditions complained of in the customers' petition.

¹ Case No. 2008-00364, Application for Rate Adjustment of Ridgelea Investments, Inc. Pursuant to the Alternative Rate Adjustment Procedure for Small Utilities (Ky. PSC tendered Aug. 29, 2008).

Commission Staff subsequently prepared a written report of its inspection. In this report, Commission Staff noted no violations of any Commission regulation, but offered several recommendations regarding the operation and maintenance of the sewage treatment facilities.

On October 18, 2008, the Commission issued the Commission Staff report, provided an opportunity for all parties² to this proceeding to submit comments, and directed that a conference be held. On November 6, 2008, Commission Staff and the parties met and agreed on certain actions regarding the maintenance and operation of Ridgelea's sewage treatment facilities. More specifically, Ridgelea agreed to make certain repairs and improvements to the three sewage treatment plants in issue. The parties and Commission Staff subsequently reduced this agreement to writing ("Agreement") and submitted it to the Commission for our approval.³

On February 2, 2009, the Commission directed that notice of this proceeding and the Commission Staff Report and a copy of the Agreement be served upon the customers who had originally petitioned the Commission. We further extended to these customers an opportunity to submit, within 15 days, comments on the report and the Agreement. As of the date of this Order, the Commission has not received any comments on either document.

Having reviewed the Agreement, a copy of which is appended hereto, and being otherwise sufficiently advised, the Commission finds that the repairs and improvements

² On September 19, 2008, the Attorney General moved for intervention in this proceeding. On September 26, 2008, the Commission granted his motion and made him a party to this proceeding. There are no other parties to this proceeding.

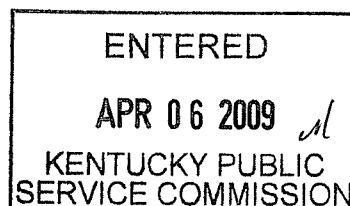
³ The Attorney General did not agree to the provisions of the Agreement but merely stated that he had seen the Agreement and did not object to its provisions.

that are set forth in the Agreement are necessary to ensure safe, proper, adequate, and sufficient service and that the terms of the Agreement are reasonable and in the public interest.

IT IS THEREFORE ORDERED that:

1. The terms and conditions set forth in the Agreement are approved.
2. Ridgelea shall perform all actions that the Agreement requires in the time and manner that the Agreement requires.
3. Subject to the filing of timely petition for rehearing pursuant to KRS 278.400, these proceedings are closed. The Executive Director shall place any future filings in the appropriate utility's general correspondence file or shall docket the filing as a new proceeding.

By the Commission



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00378 DATED **APR 06 2009**

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF THE OPERATION)
OF RIDGELEA INVESTMENTS, INC. OF)
FARMGATE, EDGEWOOD AND MEADOWBROOK) CASE NO. 2008-00378
SEWER UTILITY FACILITIES IN)
FRANKLIN COUNTY, KENTUCKY)

SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered into this 28th day of November, 2008, by and between the STAFF OF THE KENTUCKY PUBLIC SERVICE COMMISSION ("Commission Staff") and RIDGELEA INVESTMENTS, INC. ("Ridgelea"), a sewer utility.

WITNESSETH:

WHEREAS, Ridgelea is a Kentucky corporation whose principal office is located in Cincinnati, Ohio. Ridgelea serves the following subdivisions located in Franklin County, Kentucky: Farmgate, Edgewood, and Meadowbrook; and

WHEREAS, the Commission determined by its own motion to establish this case to investigate the operation of Ridgelea's wastewater treatment facilities in Franklin County, Kentucky; and

WHEREAS, the Attorney General of Kentucky requested and was made a party to these proceedings on September 26, 2008; and

WHEREAS, a conference was held on November 6, 2008 with Commission Staff to discuss all issues and the procedure for a formal hearing; and

WHEREAS, Ridgelea indicated that it had made repairs to a tank and intended to have each plant cleaned and painted and that other improvements were based upon its pending rate case; and

WHEREAS, Commission Staff made no finding of any violation of Commission regulations; and

WHEREAS, during the conference, the parties and Commission Staff discussed the Commission Staff's Inspection Report as it related to all three facilities operated by Ridgelea in Franklin County, Kentucky; and

WHEREAS, Ridgelea and Commission Staff have entered into an agreed settlement of all issues contained in the Inspection Report as well as other matters not contained in that report.

NOW, THEREFORE, Ridgelea and Commission Staff agree that:

1. As all issues raised in the Commission Staff Inspection Report are being resolved in this agreement, there is no necessity for a formal hearing in this matter and all parties hereto waive a formal hearing.

2. Chuck Hungler is the president of Ridgelea and is authorized to enter into this agreement.

3. As to all three facilities, Ridgelea agrees:

a. To install bins, on or before November 30, 2008, for the purpose of on-site storage of documents and necessary chemicals for each facility.

b. To clean and paint all above water level surfaces by September 30, 2009.

4. As to Farmgate, Ridgelea agrees:

a. To repair the chain link fence March 31, 2009; to repair the gap below chain link fence no later than November 30, 2008, by placing planking at ground level.

b. To reduce noise by installing a blower discharge-side silencer by March 31, 2009.

c. To further repair and paint the tank by March 31, 2009.

5. As to Edgewood, Ridgelea agrees:

a. To repair a manhole located near the entrance gate no later than December 31, 2008.

b. To consult with Commission Staff and repair fence no later than March 31, 2009.

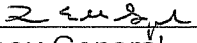
6. No specific action is required at Meadowbrook as Commission Staff found no issues there.

7. This agreement is subject to the acceptance of and approval by the Public Service Commission.

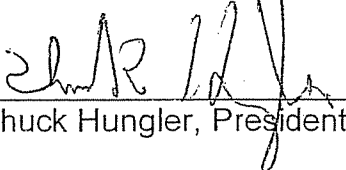
8. If the Public Service Commission fails to accept and approve this Settlement Agreement in its entirety, this proceeding shall go forward and neither the terms of this Settlement Agreement nor any matters raised during settlement negotiations shall be binding on or be construed against Ridgelea or Commission Staff.

9. Commission Staff shall recommend to the Public Service Commission that this Settlement Agreement be approved and incorporated into an Order of the Commission.

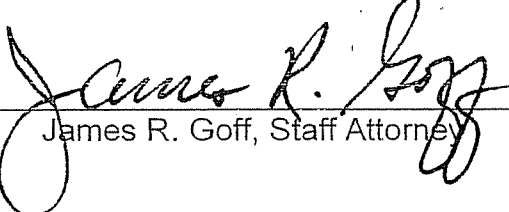
ATTORNEY GENERAL OF KENTUCKY
OFFICE OF RATE INTERVENTION
Have seen and have no objection.

BY 
Assistant Attorney General

RIDGELEA INVESTMENTS, INC.

BY 
Chuck Hungler, President

STAFF OF THE KENTUCKY PUBLIC SERVICE COMMISSION

BY 
James R. Goff, Staff Attorney

Charles "Chuck" Hungler, Jr.
President
Ridgelea Investments, Inc.
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