

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

Following a petition in another proceeding¹ regarding the operation and maintenance of certain sewage treatment facilities of Ridgelea Investments, Inc. (“Ridgelea”), the Commission established this proceeding to investigate the operation of those facilities and directed Commission Staff to inspect those facilities. On October 2, 2008, Commission Staff conducted its inspection and subsequently submitted a written report of its findings, a copy of which is appended to this Order. On November 28, 2008, Commission Staff, the Attorney General, and Ridgelea entered into an agreement, a copy of which is also appended, that sought to resolve the matters presented in the petition and requested that the Commission approve the contents of this agreement.

Finding that those persons who initially presented the petition regarding the Ridgelea facilities should be afforded an opportunity to review and comment upon the Commission Staff report and the agreement, the Commission HEREBY ORDERS that

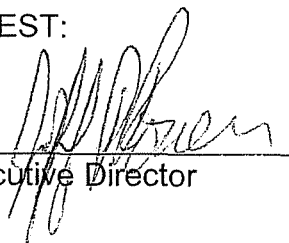
¹ Case No. 2008-00364, Application for Rate Adjustment of Ridgelea Investments, Inc. Pursuant to the Alternative Rate Adjustment Filing Procedure for Small Utilities.

all persons who presented the original petition to the Commission regarding Ridgelea facilities shall be served with a copy of this Order and shall have 15 days to submit written comments on the report and agreement to the Commission.

Done at Frankfort, Kentucky, this 2nd day of February, 2009.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00378 DATED FEBRUARY 2, 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)	CASE NO.
MEADOWBROOK WASTEWATER)	2008-00378
TREATMENT FACILITIES IN FRANKLIN)	
COUNTY, KENTUCKY)	

COMMISSION STAFF INSPECTION REPORT

By an Order in this matter dated September 18, 2008, Commission Staff was directed to inspect the Ridgelea Investments, Inc.'s wastewater treatment facilities in Franklin County, Kentucky. As part of that Order, an exhibit was attached, being a petition from several customers of Ridgelea Investments, Inc. concerning the condition of the treatment plants.

Ridgelea Investments, Inc. owns and operates three wastewater treatment facilities in Franklin County, Kentucky being: Farmgate, Edgewood, and Meadowbrook. Commission staff inspected each of these facilities and issued this report. The inspection of these facilities considered the four issues as contained in the petition applied to all three plants and included all applicable Public Service Commission Regulations.

FARMGATE

On October 2, 2008, George Wakim and Brian Rice inspected the Farmgate wastewater treatment plant. Farmgate is an in-ground package sewage treatment plant which was constructed in approximately 1972 and serves approximately 36 residences

in the Farmgate subdivision. The design treatment capacity of Farmgate is 20,000 gallons per day. Farmgate is an extended aeration activated sludge package plant that services a collection system composed of sanitary sewer lines. The treated effluent is discharged into an unnamed tributary of South Benson Creek under a permit from the Kentucky Energy and Environment Cabinet which authorizes Ridgelea Investments, Inc. to discharge from Farmgate under the Kentucky Pollutant Discharge Elimination System.

1. The elimination or substantial reduction of detectable emissions from the treatment plant such as visible sludge deposits in the creek bed and possible odor. There appeared to be wastewater treatment sludge deposits in the stream bed downstream from the plant's discharge point. There was no detectable odor during the time of the inspection.

2. Safety barrier around the treatment plant. This plant has a safety barrier in the form of a chain link fence that surrounds it. The side of the fence facing the road has a nine-inch gap below it and the grade for a length of approximately three to four feet. 807 KAR 5:071, Section 7 requires that the sewage utility be operated in accordance with the safety of persons and property. Commission Staff would interpret this regulation to require the plant facility to be fenced. The fence now in place needs to be repaired.

3. Noise generated by treatment plant equipment. No malfunctioning equipment was detected that may have resulted in noise levels beyond the normal operational limits of this type of plant.

4. Appearance of treatment plant to include privacy fence. Commission Staff interprets the regulations to require the facility to be fenced for safety reasons only; however, there are no Commission regulations to require a privacy fence.

EDGEWOOD

On October 2, 2008, George Wakim and Brian Rice inspected the Edgewood wastewater treatment plant. Edgewood is an in-ground package sewage treatment plant which was constructed in approximately 1972 and serves approximately 133 residences in the Edgewood subdivision. The design treatment capacity of Edgewood is 55,000 gallons per day. Edgewood is an extended aeration activated sludge package plant that services a collection system composed of sanitary sewer lines. The treated effluent is discharged into an unnamed tributary of South Benson Creek under a permit from the Kentucky Energy and Environment Cabinet, which authorizes Ridgelea Investments, Inc. to discharge from Edgewood under the Kentucky Pollutant Discharge Elimination System.

1. The elimination or substantial reduction of detectable emissions from the treatment plant such as visible sludge deposits in the creek bed and possible odor. It was indicated that the effluent was so clear by the Division of Water inspector that we did not feel the need to go around the area to check the receiving stream. There was no detectable odor during the time of the inspection.

2. Safety barrier around the treatment plant. This plant has a safety barrier in the form of a chain link fence that surrounds the property on which this plant is located. There is an area of this fence where a post is broken and leaning towards the inside. There is also brush near this fence.

3. Noise generated by treatment plant equipment. No malfunctioning equipment was detected that may have resulted in noise levels beyond the normal operational limits of this type of plant.

4. Appearance of treatment plant to include privacy fence. Commission Staff interprets the regulations to require the facility to be fenced for safety reasons only; however, there are no commission regulations to require a privacy fence.

MEADOWBROOK

On October 2, 2008, George Wakim and Brian Rice inspected the Meadowbrook wastewater treatment plant. Meadowbrook is an in-ground package sewage treatment plant which was constructed in approximately 1972 and serves approximately 27 residences in Meadowbrook subdivision. The design treatment capacity of Meadowbrook is 6,000 gallons per day. Meadowbrook is an extended aeration activated sludge package plant that services a collection system composed of sanitary sewer lines. The treated effluent is discharged into an unnamed tributary of South Benson Creek under a permit from the Kentucky Energy and Environment Cabinet which authorizes Ridgelea Investments, Inc. to discharge from Meadowbrook under the Kentucky Pollutant Discharge Elimination System.

1. The elimination or substantial reduction of detectable emissions from the treatment plant such as visible sludge deposits in the creek bed and possible odor. There appeared to be wastewater treatment sludge deposits in the stream bed downstream from the plant's discharge point. There was no detectable odor during the time of the inspection.

2. This plant has a safety barrier in the form of a chain link fence that surrounds it. There appeared to be no problems with this fence.

3. Noise generated by treatment plant equipment. No malfunctioning equipment was detected that may have resulted in noise levels beyond the normal operational limits of this type of plant.

4. Appearance of treatment plant to include privacy fence. Commission Staff interprets the regulations to require the facility to be fenced for safety reasons only; however, there are no commission regulations to require a privacy fence.

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00378 DATED FEBRUARY 2, 2009

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

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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.

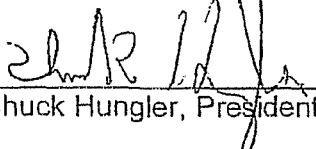
8. If the Public Service Commission fails to accept and approve this Settlement Agreement in its entirety, this proceeding shall go forward and neither the terms of this Settlement Agreement nor any matters raised during settlement negotiations shall be binding on or be construed against Ridgelea or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

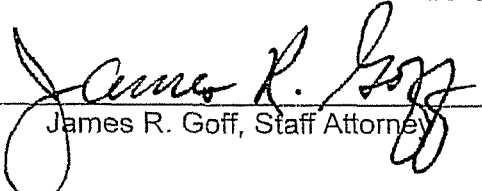
**ATTORNEY GENERAL OF KENTUCKY
OFFICE OF RATE INTERVENTION**
Have seen and have no objection

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.
2106 W. North Bend Road
Cincinnati, OH 45224

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