

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the Matter of:

|  |   |               |
|--|---|---------------|
| THE KENTUCKY PUBLIC SERVICE COMMISSION | ) |               |
|  | ) |               |
| VS.                                    | ) | CASE NO. 8814 |
|  | ) |               |
| SUBURBAN SEWAGE TREATMENT, INC.        | ) |               |

ORDER

On January 12, 1983, the Commission sent to Suburban Sewage Treatment, Inc., ("Suburban") a request for information on the operations of sewage treatment facilities in Johnson County, Kentucky. Suburban did not respond, and the matter was set for hearing on May 5, 1983.

The Commission, having determined that further investigation was necessary, ordered the May 5, 1983, hearing cancelled. The case was continued generally subject to further investigation by the Commission.

Commentary

A member of the staff of this Commission made an investigation of Suburban's facilities and operations on June 22, 1983. The report ("Staff Report") made as a result of this investigation is included herein as Appendix A.

Suburban's facilities were constructed about 12 years ago to serve the Hager Hill Subdivision. These facilities were constructed by Mr. Wayne T. Morgan on land owned by Mr. Paul Pelphrey. Mr. Morgan died approximately 5 years ago and Mr. Gene

Gray took over the operation and maintenance after Mr. Morgan's death. Approximately 3 years ago Mr. Gray moved away from the area and Mr. Pelphrey took over the operation and maintenance. Mr. Pelphrey has been collecting the revenue and paying the expenses associated with Suburban during this 3-year period. In 1979 Mr. Pelphrey entered into an Agreed Order with the Natural Resources and Environmental Protection Cabinet to correct known deficiencies in Suburban's sewage treatment facilities. Also as part of this Agreed Order Mr. Pelphrey was to form a sanitation district and obtain the necessary approvals from this Commission. As of this date no request has been received from Mr. Pelphrey or Suburban.

Suburban, which presently serves 16 homes, has numerous operational deficiencies and does not properly treat the sewage it receives.

#### Findings

The Commission, having reviewed the evidence of record and being advised, is of the opinion and finds that:

1. Suburban provides sewage treatment services to 16 homes in the Hager Hill Subdivision. Suburban is operated and maintained by Mr. Paul Pelphrey. Mr. Pelphrey collects revenue for services received from Suburban and pays expenses for Suburban. The Commission finds this revenue to be compensation for Suburban for utility service provided by Suburban as defined by KRS 278.010. Further, under KRS 278.010, Suburban should be classified as a public utility subject to the jurisdiction of this Commission.

2. Suburban as a jurisdictional utility should have obtained Commission approval prior to the construction of its sewage treatment facilities. Suburban has neither sought nor received approval in the past.

3. Suburban as a jurisdictional utility should have obtained Commission approval prior to charging rates for sewage treatment services. Suburban has neither sought nor received approval in the past.

4. Suburban as a jurisdictional utility should provide adequate service as required by 807 KAR 5:071, Section 5(1). Commission investigation has determined that Suburban's sewage treatment facilities are not in compliance with 807 KAR 5:071, Section 5(1).

IT IS THEREFORE ORDERED that Suburban shall obtain the approval of this Commission prior to performing any future construction which is governed by KRS 278.020.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Suburban shall file tariff sheets setting out its rates for approval by this Commission.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Suburban shall file a detailed plan of correction outlining repairs, improvements, time frames, etc., needed to bring its sewage treatment facilities into compliance with 807 KAR 5:071, Section 5(1).

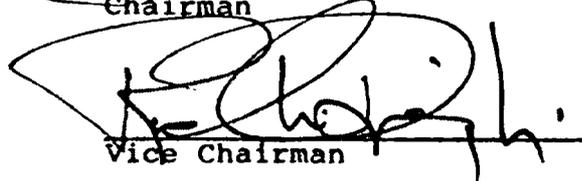
IT IS FURTHER ORDERED that Suburban be and it hereby is advised that the Commission will consider levying penalties against Suburban in accordance with KRS 278.990 for non-compliance with this Order.

Done at Frankfort, Kentucky, this 13th day of October, 1983.

PUBLIC SERVICE COMMISSION

  
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Chairman

  
\_\_\_\_\_

Vice Chairman

  
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Commissioner

ATTEST:

\_\_\_\_\_  
Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE  
COMMISSION IN CASE NO. 8814 DATED  
OCTOBER 13, 1983

REPORT

TO: Claude G. Rhorer, Jr. *CR*  
Director  
Division of Utility Engineering  
and Services

FROM: K. Michael Newton *KMN*  
Utility Investigator  
Water and Sewage Section

RE: Investigation Into Customer Complaint  
Ms. Vandella Caudill and Other Vs  
Suburban Sewage Treatment

DATE: July 19, 1983

Brief

The subject investigation was made June 22, 1983, to investigate a complaint by Ms. Vandella Caudill and Others of odor generated by Suburban Sewage Treatment (see attached letter). The basic objective was to make an inspection of the treatment plant for obvious deficiencies in its daily operations.

Investigation

On June 22, 1983, a meeting was held with Mr. Paul Pelphrey to discuss the current situation at Suburban Sewage Treatment in Hager Hills Subdivision.

Mr. Pelphrey stated he has been collecting the revenues and paying the expenses associated with the sewage plant for the past three (3) years. Mr. Pelphrey went on to say the plant is approximately twelve (12) years old and was originally constructed by Mr. Wayne T. Morgan. Mr. Morgan also layed the main sewage lines within Hager Hills Subdivision. Mr. Morgan was to operate

the plant, pay expenses, and collect the sewage bills from customers of Hager Hills Subdivision. However, Mr. Morgan constructed this sewage plant on property owned by Mr. Pelphrey. Mr. Morgan was to lease or rent this property from Mr. Pelphrey, but five (5) years ago Mr. Morgan died and no known heirs claimed the waste-water treatment plant.

Mr. Pelphrey states that Mr. Gene Gray took over the operation and maintenance after Mr. Morgan's death. Mr. Gray continued this responsibility until three (3) years ago when he sold his home in Hager Hills Subdivision and moved away. Mr. Paul Pelphrey comments that he took over the plant at this time.

Suburban Sewage Treatment is approximately a 7,500 gallon per day extended aeration plant. The plant is located adjacent to Hager Hills Subdivision and is approximately 40 feet from Ms. Vandella Caudill's home.

During the June 22, 1983, site visit the following observations were made:

1. The comminutor was not operating and had been removed from its mounting bracket.
2. The aeration blower was operating but the diffusers were missing.
3. The sludge needed to be hauled off.
4. The electrical timer was exposed to the elements (cover had been removed).
5. The weeds needed to be cut inside plant area.
6. Grates to cover the sewer plant were missing and needed to be replaced.

From these observations the sewer plant is still not meeting the treatment level required in its NPDES permit. The Natural Resources and Environmental Protection Cabinet ("NREPC") was contacted July 13, 1983. This matter was discussed with Mr. James Mitchell of NREPC's Division of Water. Mr. Mitchell and this investigator reviewed the file on this sewage plant (see attached information), and examined an Agreed Order between Mr. Pelphrey and NREPC. One of the major points of this agreed order was that Mr. Pelphrey would form a sanitation district and register it with the Public Service Commission as Suburban Sanitation Incorporated. This agreement was entered into in late 1979 and to this date Mr. Pelphrey has not complied with that order.

On June 22, 1983, a meeting with Vandella and Darwin Caudill, the complainants, was held to discuss the sewage treatment plant. Mr. Caudill complained about the odor generated, and the weeds growing within the plant, and the effluent ditch from the treatment plant. Mrs. Caudill stated that numerous times she has cleaned out the ditch and that her husband has cleaned the weeds around the plant. The Caudills remarked that currently there were sixteen (16) customers being served by this sewage system and within Hager Hills Subdivision there are only 12 homes. A document supplied by Mr. Pelphrey's secretary (see attached list of customers) verified this fact. The Caudills went on to say that they believed the plant was only large enough to handle the twelve (12) original homes of the subdivision. They also said that Mr. Pelphrey had been handling the billing for the sewage plant since it was constructed, the Caudill's neighbors had bills dating back beyond the three (3) years which

Mr. Pelphrey had previously alluded. Mr. Pelphrey's secretary had also made a statement to this investigator that Mr. Pelphrey had been sending bills to customers of Hager Hills since 1977, which would indicate Mr. Pelphrey's involvement in this plant preceding the past three (3) years.

#### Conclusions

There is a definite need to correct the sewage system operation as it now exists in Hager Hills Subdivision. Resolution of the problem should be jointly shared between the enforcement jurisdiction of NREPC and the Public Service Commission.

#### Recommendations

A joint action team should be formed between the Natural Resources and Environmental Protection Cabinet and the Kentucky Public Service Commission. This team would actively pursue utilities such as Suburban Treatment who have not complied with both State regulations and NREPC permit requirements.

KMN/jsb