

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE)
ALLEGED DEFICIENCIES OF THELMA) CASE NO. 9760
ACTIVITIES, INC.)

O R D E R

On November 14, 1986, Thelma Activities, Inc., ("Thelma Activities") was ordered to appear and show cause why it should not be penalized under KRS 278.990 for failure to comply with the Commission's regulations, with deficiencies noted for the years 1985 and 1986.

A hearing was held on January 20, 1987. Robert Trimble, an owner of Thelma Activities, appeared to offer testimony.

The evidence showed that Thelma Activities had received copies of staff inspection reports in 1985 and 1986, which detailed alleged multiple violations of Commission regulations. The violations specified in the Show Cause Order of November 14, 1986, contained numerous operational and safety deficiencies for two sewage treatment plants.

At the hearing Mr. Trimble admitted that Thelma Activities was in violation of many of the items listed in the Utility Inspection Report dated September 15, 1986, attached as Appendix A of the November 14, 1986, Order in this case. Mr. Trimble indicated that Thelma Activities had corrected several of the listed deficiencies but lacked the necessary funds to correct all

the deficiencies listed and to comply with Commission rules and regulations. Thelma Activities' failure to observe Commission regulations over a period of more than two years represents a pattern of conduct which the Commission cannot accept.

Thelma Activities was inspected again on February 12, 1987, in order to review its compliance with the Commission's regulations. A copy of this report is attached as Appendix A to this Order.

FINDINGS AND CONCLUSIONS

1. The violations of Commission regulations have existed for an extended time, though Commission reports of inspections have put Thelma Activities on notice of those violations, and Thelma Activities has made representations that prompt corrective action would be forthcoming. Nevertheless, not all of the deficiencies have been corrected.

2. The Commission is aware of the severe impact fines and penalties may have on small sewer utilities and their ratepayers. Therefore, no fine will be assessed at this time.

3. The Commission is, however, hereby notifying the owners of Thelma Activities that if the same or similar deficiencies are not corrected or if other deficiencies occur, the Commission may proceed against the individual owners of the utility.

4. The Commission is aware of a pending transfer of the utility to the customers. Pursuant to KRS 278.020(4), Commission approval is necessary.

IT IS HEREBY ORDERED that:

1. Though deficiencies exist, no fine will be assessed at this time for reasons stated above.

2. The Commission may institute proceedings against the owners of Thelma Activities as individuals, should any deficiencies continue to exist.

3. Thelma Activities shall notify the Commission of any pending transfer, pursuant to KRS 278.020(4).

Done at Frankfort, Kentucky, this 10th day of July, 1987.

PUBLIC SERVICE COMMISSION

Richard D. Hemann
Chairman

Paul H. Hill
Vice Chairman

Spencer N. Williams
Commissioner

ATTEST:

Forest M. Skiff
Executive Director

APPENDIX A

Commonwealth of Kentucky
Public Service Commission

UTILITY REINSPECTION REPORT

Thelma Activities, Inc.
Paintsville, Kentucky

February 26, 1987

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 February 12, 1987, Thelma Activities, Inc., sewage treatment system was reinspected for compliance with KRS 278 and PSC regulations (807 KAR). Providing information and assistance during the inspection were Robert Trimble, owner and James Melvin, plant operator.

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

Jim Hughes Estates

1. The diffusers need to be inspected and repaired or replaced as necessary. (807 KAR 5:071, Section 7, 1)
2. The clarifier needs to be cleaned. (807 KAR 5:071, Section 7, 1)
3. The line from the lift station to the sand filter needs to be repaired. (807 KAR 5:071, Section 7, 1)

Thelma All-Electric Estates

1. The clarifier in both plants need to be cleaned. (807 KAR 5:071, Section 7, 1)
2. The bypassing of the tertiary treatment has not been corrected. (807 KAR 5:071, Section 7, 1)
3. A water leak at the plant needs to be repaired. (807 KAR 5:071, Section 7, 1)
4. The splitter box needs to be cleaned out. (807 KAR 5:071, Section 7, 1)
5. The manhole at the plant needs to be cleaned out. (807 KAR 5:071, Section 7, 1)
6. The weed growth needs to be controlled. (807 KAR 5:071, Section 7, 1)

Recommendations

The owner and plant operator have begun correcting the deficiencies noted in the inspection report of July 2, 1986.

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However, not all deficiencies have been corrected at this time. A reinspection of these facilities should be made in 60 days to check on the progress of the correction effort.

Submitted,
February 26, 1987

Larry N. Updike
Larry N. Updike
Utility Investigator

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CGR:LNU:aem