

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE)
ALLEGED DEFICIENCIES OF) CASE NO. 9881
VERNA HILLS, LTD.)

O R D E R

The Commission, on its own Motion, hereby ORDERS that:

1. A hearing be and it hereby is scheduled for April 14, 1987, at 9:00 a.m., Eastern Standard Time, in the Commission's offices, Frankfort, Kentucky.

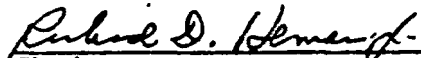
2. Verna Hills, Ltd., shall appear at the hearing and show cause, if any it can, why it should not be subject to the penalties prescribed in KRS 278.990 for failure to comply with the Commission's regulations as set forth in the attached Commission staff report.


3. At the hearing Staff who prepared the Report on the inspection of Verna Hills (Appendix A) will present the Report through direct examination by Staff Counsel and will be subject to cross-examination.

4. Verna Hills shall also have until the close of business 2 weeks from the date of this Order to file written comments concerning the contents of Appendix A.

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

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

Commonwealth of Kentucky
Public Service Commission

UTILITY INSPECTION REPORT

Verna Hills, Ltd.
Clark County, Kentucky

February 27, 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 11, 1987, Verna Hills, Ltd., sewage treatment system was inspected for compliance with KRS 278 and PSC regulations (807 KAR). No representative of the utility was present at the time of the inspection.

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

1. The comminutor is not operational; repair or replacement is necessary to provide optimum preliminary treatment. (807 KAR 5:071, Section 7, 1)

Report - Verna Hills, Ltd.

Page 2

February 27, 1987

2. Some air diffusers are clogged and several drop units have been removed due to the deterioration of air lines and submerged piping; uniform addition of diffused air and through mixing are necessary to achieve efficient biological treatment; therefore all malfunctioning sections must be replaced. (807 KAR 5:071, Section 7, 1)
3. The air lift line along with the scum return has been perforated by rust reducing its design capability, therefore they must be repaired or replaced. (807 KAR 5:071, Section 7, 1)
4. A backup blower for the lagoon is needed, or have immediate access to one in case of an emergency. (807 KAR 5:071, Section 7, 1)
5. The lagoon is gray to black in color, this indicates that the lagoon is going septic with anaerobic conditions prevailing. Extensive cleaning of the lagoon is needed to remove the sludge so that the lagoon can operate efficiently. (807 KAR 5:071, Section 7, 1)
6. Sludge deposits are in the receiving stream. This stream should be cleaned immediately. (807 KAR 5:071, Section 7, 1)
7. The walkway grate needs to be replaced. (807 KAR 5:071, Section 7, 4)

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.

Report - Verna Hills, Ltd.
Page 3
February 27, 1987

Items 1, 2, 3, 4, 5, 6 and 7 are repeat violations. These violations were noted in the inspection report of January 15, 1986. Since this time no corrections or improvements have been made.

Submitted,
February 27, 1987

Larry N. Updike
Larry N. Updike
Utility Investigator

LNU

CGR:LNU:aem