

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE ALLEGED)
OWNERSHIP OF A UTILITY BY W. C.) CASE NO. 10247
HUNDLEY)

O R D E R

On December 9, 1986, the Commission received a letter from the Bluegrass Area Development District inquiring whether a water and sewer service owned by W. C. Hundley, serving the Springhill Subdivision, was under Commission jurisdiction.

On January 21, 1987, an investigation was conducted by Commission Staff to determine: (a) if the utility was operating as a public utility pursuant to state laws and regulations; and (b) the conditions under which the utility was operating.

The investigative report indicated that Springhill Subdivision Water and Sewer Company ("Springhill") is owned by W.C. Hundley and that the utility was being operated in violation of tariffing and other requirements of KRS Chapter 278, relating to utilities.

On May 12, 1988, the Commission on its own Motion issued an Order requiring Springhill to appear and show cause as to why it should not be subject to the penalties prescribed in KRS 278.990 for failure to comply with the Commission's regulations.

A hearing was held at the Commission's offices in Frankfort, Kentucky on May 31, 1988. At the hearing, W. C. Hundley agreed to file a tariff for Springhill and to file a 1987 annual report in order to bring his utility into compliance with Commission regulations. On June 17, 1988, Springhill filed its 1987 annual report and tariffs with the Commission

On August 30, 1988, a limited financial audit was performed on Springhill by Commission Staff and on September 16, 1988, Staff performed a billing analysis. The purpose of these investigations was to determine if the rates being charged by Springhill were fair to the customers served and to ensure that the utility was not overcollecting or undercollecting monies from its customers.

As a result of the financial audit and billing analysis, Staff determined that the rates and charges of Springhill are fair, just, and reasonable and that they should be accepted.

After consideration of the evidence of record and being advised, the Commission is of the opinion and finds that:

1. Springhill is operating as a water and sewer utility subject to Commission jurisdiction pursuant to KRS 278.010.
2. Springhill should be placed under Commission jurisdiction subject to all its rules and regulations.
3. Springhill has filed its 1987 annual report and its tariffs with the Commission.
4. Springhill's current rates and charges are fair, just, and reasonable and should be accepted.

IT IS THEREFORE ORDERED that:

1. Springhill's is subject to Commission jurisdiction pursuant to KRS 278.010.
2. Springhill's rates be and they hereby are approved.
3. This investigation of Springhill be and it hereby is concluded.

Done at Frankfort, Kentucky, this 20th day of October, 1988.

PUBLIC SERVICE COMMISSION

Richard D. Wemmer
Chairman

Robert M. Lewis
Vice Chairman

Steven M. Williams
Commissioner

ATTEST:

Executive Director