

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION INTO ALLEGED UNAUTHORIZED)	CASE NO.
CONSTRUCTION BY WOOD CREEK WATER DISTRICT)	89-223

O R D E R

On August 15, 1989, the Commission issued an Order directing certain officers and employees of the Wood Creek Water District ("Wood Creek") to show cause why they should not be penalized for constructing an office building without obtaining a Certificate of Public Convenience and Necessity from the Commission pursuant to KRS 278.020. Commission Staff and representatives of Wood Creek held an informal conference on September 8, 1989 to discuss settlement of the allegations raised in the Show Cause Order. Subsequent to the conference, a Settlement Agreement, attached hereto as Appendix A, was executed. Pursuant to the terms of the Settlement Agreement, the individual respondents agree to pay penalties in an amount totaling \$1200.00 in settlement of this matter.

Having reviewed the Settlement Agreement and being otherwise sufficiently advised, the Commission finds that the Settlement Agreement is reasonable and lawful and is supported by substantial evidence of record.

IT IS THEREFORE ORDERED that:

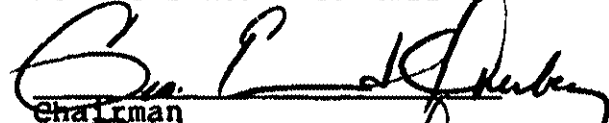
1. The terms and conditions set forth in the Settlement Agreement are approved and adopted.

2. The Settlement Agreement, attached hereto as Appendix A, is incorporated herein by reference as if fully set forth herein.

3. Within 30 days of the date of this Order, Peggy Brown and Glenn House, individually, will tender to the Commission personal certified checks in the amount of \$500.00 each, and Randy Schott and Carl Keller, individually, will tender to the Commission personal certified checks in the amount of \$100.00 each. Said checks shall be made payable to the Kentucky State Treasurer as settlement in full of this matter, and shall be mailed to the Commission at 730 Schenkel Lane, Frankfort, Kentucky 40601.

Done at Frankfort, Kentucky, this 8th day of November, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:

Executive Director

COMMONWEALTH OF KENTUCKY
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SETTLEMENT AGREEMENT

On August 15, 1989, the Public Service Commission issued a Show Cause Order against the Wood Creek Water District ("Wood Creek"). The Order alleges that Wood Creek constructed an office building without obtaining a Certificate of Public Convenience and Necessity from the Commission pursuant to KRS 278.020. The Order also alleges that Wood Creek issued securities in violation of KRS 278.300.

An informal conference was held on September 8, 1989 between Commission Staff and representatives of Wood Creek. After lengthy discussions, it was determined that no consensus could be reached on some of the issues involved.

However, in a joint effort to resolve this matter and avoid additional time and expense on the part of both Staff and Wood Creek, the signatories hereto agree to the compromise of the case set out herein.

NOW, THEREFORE, be it resolved that:

The signatories agree that the sum of \$1200 (Twelve Hundred Dollars) will be paid in settlement of this matter. Upon date of entry of an Order of the Commission approving and adopting this

Settlement Agreement, Peggy Brown and Glenn House, individually, will tender to the Commission personal certified checks in the amount of \$500 (Five Hundred Dollars) each and Randy Schott and Carl Keller, individually, will tender to the Commission personal certified checks in the amount of \$100 (One Hundred Dollars) each, said checks to be payable to the Kentucky State Treasurer as settlement in full of this matter.

These payments are being made solely for the purpose of this settlement and are predicated on no finding or conclusion as to the allegations contained in the Order.

This settlement is not to be used in any other matter or for any other purpose before this Commission, nor is it to be construed as an admission of wrongdoing by Wood Creek or its representatives.


AGREED TO:


Kathleen B. Dorman - Counsel for
Commission Staff


10/18/89
Date


John N. Hughes
Counsel for Respondants

10/17/89
Date


Warren B. Little
Counsel for Respondants

10/16/89
Date


Peggy Brown - District Manager
Wood Creek Water District

10-16-89
Date

Glenn House
Glenn House - Former Chairman
Wood Creek Water District

10-16-89
Date

Randy Schott
Randy Schott - Secretary
Wood Creek Water District

10-16-89
Date

Carl Keller
Carl Keller - Treasurer
Wood Creek Water District

10-16-89
Date