

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION INTO ALLEGED UNAUTHORIZED )	CASE NO.
CHARGES OF HIGHVIEW SEWER DISTRICT, INC. )	91-317

O R D E R

On August 2, 1991, the Commission received an inquiry from Dairy Mart Southeast ("Dairy Mart") regarding the propriety of certain activity of Highview Sewer District, Inc. ("Highview"), which is the owner of a private sewage treatment plant located in the sixth class city of Highview in Louisville, Kentucky. Specifically, Dairy Mart stated that after acquiring property to build a new Convenient Food Mart in July of 1988, Highview informed Dairy Mart that sewer service was available. Construction of the food mart was delayed, but Highview continued to indicate that sewer service was available through December 1990. However, according to Dairy Mart, once construction commenced, it was contacted by Highview and advised that there would be no service connection until an agreement could be reached concerning the cost of connection. Dairy Mart then met with Highview president, John Treitz, who advised that there was no sewer capacity available for its usage, but that it might be possible to obtain the capacity by purchasing, at a cost of \$18,000, capacity previously sold by Highview to John Treitz and Sons, Inc. John Treitz and Sons, Inc. is a company which

apparently acquired several lots in the Highview area for future development and which needed the sewer capacity purchased from Highview in order to develop the lots.

Highview's current schedule of rates does not include a charge for new connections or a charge for capacity. KRS 278.160 requires a utility to "file with the Commission . . . schedules showing all rates and conditions for service established by it and collected or enforced." The statute further states:

No utility shall charge, demand, collect or receive from any person a greater or less compensation for any service rendered or to be rendered than that prescribed in its filed schedules, and no person shall receive any service from any utility for a compensation greater or less than that prescribed in such schedules.

Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that further information is needed to determine whether Highview is charging fees for capacity which are not authorized by its tariff, and whether Highview is denying reasonable extensions of service to applicants.

IT IS THEREFORE ORDERED that an investigation be and it hereby is opened to determine whether Highview has charged, or is attempting to charge as a condition of service, fees for sewer capacity which have not been approved by the Commission nor filed in its currently effective tariff, in violation of KRS 278.160. The investigation shall also determine whether Highview is denying reasonable extensions of service to applicants.

IT IS FURTHER ORDERED that Highview shall file the original and five copies of the following information with the Commission

within 20 days of the date of this Order. Highview shall furnish with each response the name of the witness who will be available for responding to questions concerning each item of information should a public hearing be required in this matter.

1. Provide a copy of the agreement between Highview and John Treitz and Sons, Inc. whereby John Treitz and Sons, Inc. purchased sewer capacity from Highview. If no written agreement exists, provide the following information concerning the purchase: (1) date of purchase; (2) amount paid for the capacity; (3) amount of capacity sold.

2. Is there a corporate or business relationship between Highview and John Treitz and Sons, Inc.? Are any of the principals or officers of the corporations identical or related?

3. Describe the cost basis upon which the amount charged for sewer capacity is determined.

4. Describe the cost basis upon which the amount charged for a new connection for sewer service is determined.

5. Provide a list of customers who have been charged a connection fee or a capacity charge for sewer service. For each customer provide the address and the amount charged.

6. Identify that portion of Highview's tariff upon which Highview relies to authorize charging a connection fee or capacity charge.

7. What is the total capacity of the treatment plant?

8. Does Highview currently have the capacity to connect any new customers to its sewer system?

Done at Frankfort, Kentucky, this 18th day of September, 1991.

PUBLIC SERVICE COMMISSION

Chairman

Vice Chairman

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Commissioner

ATTEST:

Executive Director