

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF BIG BEAR RESORTS, INC.)
)
_____) CASE NO. 95-172
)
ALLEGED VIOLATION OF KRS CHAPTER 278)

O R D E R

This case is established for the sole purpose of considering a Settlement Agreement entered between Commission Staff and Big Bear Resorts, Inc. ("Big Bear"). The Settlement Agreement arises as a result of discussions between Big Bear and Commission Staff regarding violations of KRS Chapter 278. As a result of those discussions, Commission Staff and Big Bear have agreed to a penalty in the amount of \$250.00, payable in full to the Commonwealth of Kentucky General Fund. After consideration of the Settlement Agreement, its terms, and the severity of the violations addressed therein, the Commission finds that the Settlement Agreement represents a reasonable resolution of our informal investigation and should therefore be approved.

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement, attached as Appendix A, is adopted and approved in its entirety as a complete resolution of all issues and charges in this case.
2. Big Bear is assessed a penalty of \$250.00 to be paid by certified check or money order made payable to the Kentucky State


Treasurer and mailed to the Office of General Counsel, Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

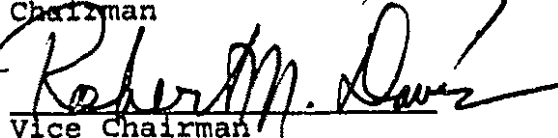
3. Commission Staff shall open a case and conduct an investigation of Big Bear's proposed tariff for the purpose of determining whether Big Bear's schedule contains rates which are fair, just, and reasonable.

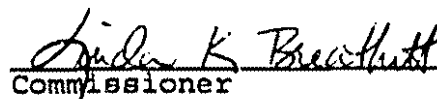
4. All alleged violations of KRS Chapter 278 having been resolved by this Settlement Agreement, this case is closed.

Done at Frankfort, Kentucky, this 1st day of May, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF BIG BEAR RESORTS, INC.

CASE NO. 95-172

ALLEGED VIOLATION OF KRS CHAPTER 278

SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered into this 24th day of April, 1995, by and between STAFF OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY "Commission Staff" and BIG BEAR RESORTS, INC. "Big Bear").

WITNESSETH

THAT, WHEREAS, Big Bear is a private corporation which owns and operates a seasonal resort on Kentucky Lake in Marshall County, Kentucky, and as a joint venture developed The Dens Condominiums "The Dens" to which it currently provides sewer services for a monthly fee;

WHEREAS, Big Bear formerly operated a sewage treatment facility for its own use that treated approximately 12,000 gallons per day, but after completion of The Dens, Big Bear in the fall of 1992 constructed a new treatment facility capable of treating 35,000 gallons per day. Prior to this construction, Big Bear obtained a Construction Permit as well as a Kentucky Pollutant Discharge Elimination System Permit from the Natural Resources and Environmental Protection Cabinet, Department for Environmental Protection, Division of Water;

WHEREAS, Big Bear is a utility subject to the jurisdiction of the Public Service Commission ("Commission") pursuant to KRS 278.010 and as such is required to obtain Commission approval in the form of a Certificate of Public Convenience and Necessity prior to the construction of any plant, equipment, property or facility for furnishing to the public any of the services enumerated in KRS 278.010. KRS 278.020(2). The Commission does not retroactively grant Certificates of Public Convenience and Necessity;

WHEREAS, on January 12, 1995, Big Bear disclosed to the Commission that it had constructed and was operating a sewage treatment facility without having first received a Certificate of Public Convenience and Necessity. Furthermore, Big Bear disclosed that it had been charging fees for sewer services which were not on file with the Commission;

WHEREAS, Big Bear and Commission Staff have reached an agreement to resolve all outstanding issues related to Big Bear's construction and provision of sewer services without having first received a Certificate of Public Convenience and Necessity;

WHEREAS, Big Bear has filed a tariff containing a schedule of its rates, rules and regulations with the Commission for approval. Upon review of this tariff, Commission Staff has determined that additional information is necessary for the Commission, pursuant to KRS 278.190, to determine whether the proposed rates are fair, just, and reasonable; and

WHEREAS, Big Bear agrees to pay a penalty of Two-hundred and Fifty Dollars (\$250.00) for constructing and operating a sewage treatment plant in violation of the provisions of KRS Chapter 278.

NOW, THEREFORE, be it resolved that:

1. Big Bear shall comply with all provisions of KRS Chapter 278 and all regulations promulgated pursuant thereto.

2. Big Bear shall pay a penalty of Two-hundred and Fifty Dollars (\$250.00) to be paid in full within ten (10) days of an order approving this Settlement Agreement. A certified check for the full amount of the penalty shall be made payable to the Kentucky State Treasurer and delivered to the Office of General Counsel, Public Service Commission, 730 Schenkel Lane, Frankfort, Kentucky 40601.

3. Commission Staff shall open a case and conduct an investigation of Big Bear's proposed tariff for the purpose of determining whether Big Bear's schedule contains rates which are fair, just, and reasonable.

4. Approval shall not be given to Big Bear's construction of its sewage treatment facility, as the Commission does not retroactively grant Certificates of Public Convenience and Necessity.

5. Upon execution of the proposed Settlement Agreement, this case is hereby settled as to only the issues contained herein, with prejudice, notwithstanding any other provision of this agreement to the contrary.

6. The proposed Settlement Agreement is submitted for the purposes of this case only and is not to be offered or relied upon in respect of any other issues in any other proceeding involving Big Bear or any other utility.

7. Commission Staff shall use its best efforts in recommending complete adoption of the proposed Settlement Agreement by the Commission. If the Commission issues an Order approving and adopting the proposed Settlement Agreement in its entirety, Big Bear agrees that it shall neither apply for rehearing on such Order nor initiate an action for review of such Order in Franklin Circuit Court.

8. If the proposed Settlement Agreement is not approved and adopted in its entirety, Big Bear reserves the right to withdraw from it and request a hearing on all or any matters involved herein. In such event, the terms of the proposed Settlement Agreement shall not be deemed binding upon the signatories, nor shall the proposed Settlement Agreement be admitted into evidence or referred to or relied upon in any manner by any signatory.

9. The signatories agree that the foregoing Settlement Agreement is reasonable, not contrary to regulatory principals or the law, is in the best interest of all concerned, and urge that the Commission adopt the Settlement Agreement in its entirety.

Big Bear Resorts, Inc.

BY *[Signature]*

4-17-95
Date

Public Service Commission Staff

BY *[Signature]*

4/20/95
Date

199500172_05011995

Note: The following settlement agreement was not in the original order. I have placed a copy of it at the end of this order because Appendix A (which is the settlement agreement) is hard to read.

Kathy Lewis
Web Master
04-04-05

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

FILED

APR 24 1995

In the Matter of:

PUBLIC SERVICE
COMMISSION

AN INVESTIGATION OF BIG BEAR RESORTS, INC.)

ALLEGED VIOLATION OF KRS CHAPTER 278)

) CASE NO. 95-172

SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered into this 24th day of April, 1995, by and between STAFF OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY ("Commission Staff") and BIG BEAR RESORTS, INC. ("Big Bear").

WITNESSETH

THAT, WHEREAS, Big Bear is a private corporation which owns and operates a seasonal resort on Kentucky Lake in Marshall County, Kentucky, and as a joint venture developed The Dens Condominiums ("The Dens") to which it currently provides sewer services for a monthly fee;

WHEREAS, Big Bear formerly operated a sewage treatment facility for its own use that treated approximately 12,000 gallons per day, but after completion of The Dens, Big Bear in the fall of 1992 constructed a new treatment facility capable of treating 35,000 gallons per day. Prior to this construction, Big Bear obtained a Construction Permit as well as a Kentucky Pollutant Discharge Elimination System Permit from the Natural Resources and Environmental Protection Cabinet, Department for Environmental Protection, Division of Water;

WHEREAS, Big Bear is a utility subject to the jurisdiction of the Public Service Commission ("Commission") pursuant to KRS 278.010 and as such is required to obtain Commission approval in the form of a Certificate of Public Convenience and Necessity prior to the construction of any plant, equipment, property or facility for furnishing to the public any of the services enumerated in KRS 278.010. KRS 278.020(1). The Commission does not retroactively grant Certificates of Public Convenience and Necessity;

WHEREAS, on January 12, 1995, Big Bear disclosed to the Commission that it had constructed and was operating a sewage treatment facility without having first received a Certificate of Public Convenience and Necessity. Furthermore, Big Bear disclosed that it had been charging fees for sewer services which were not on file with the Commission;

WHEREAS, Big Bear and Commission Staff have reached an agreement to resolve all outstanding issues related to Big Bear's construction and provision of sewer services without having first received a Certificate of Public Convenience and Necessity;

WHEREAS, Big Bear has filed a tariff containing a schedule of its rates, rules and regulations with the Commission for approval. Upon review of this tariff, Commission Staff has determined that additional information is necessary for the Commission, pursuant to KRS 278.190, to determine whether the proposed rates are fair, just, and reasonable; and

WHEREAS, Big Bear agrees to pay a penalty of Two-hundred and Fifty Dollars (\$250.00) for constructing and operating a sewage treatment plant in violation of the provisions of KRS Chapter 278.

NOW, THEREFORE, be it resolved that:

1. Big Bear shall comply with all provisions of KRS Chapter 278 and all regulations promulgated pursuant thereto.

2. Big Bear shall pay a penalty of Two-hundred and Fifty Dollars (\$250.00) to be paid in full within ten (10) days of an order approving this Settlement Agreement. A certified check for the full amount of the penalty shall be made payable to the Kentucky State Treasurer and delivered to the Office of General Counsel, Public Service Commission, 730 Schenkel Lane, Frankfort, Kentucky 40601.

3. Commission Staff shall open a case and conduct an investigation of Big Bear's proposed tariff for the purpose of determining whether Big Bear's schedule contains rates which are fair, just, and reasonable.

4. Approval shall not be given to Big Bear's construction of its sewage treatment facility, as the Commission does not retroactively grant Certificates of Public Convenience and Necessity.

5. Upon execution of the proposed Settlement Agreement, this case is hereby settled as to only the issues contained herein, with prejudice, notwithstanding any other provision of this agreement to the contrary.

6. The proposed Settlement Agreement is submitted for the purposes of this case only and is not to be offered or relied upon in respect of any other issues in any other proceeding involving Big Bear or any other utility.

7. Commission Staff shall use its best efforts in recommending complete adoption of the proposed Settlement Agreement by the Commission. If the Commission issues an Order approving and adopting the proposed Settlement Agreement in its entirety, Big Bear agrees that it shall neither apply for rehearing on such Order nor initiate an action for review of such Order in Franklin Circuit Court.

8. If the proposed Settlement Agreement is not approved and adopted in its entirety, Big Bear reserves the right to withdraw from it and request a hearing on all or any matters involved herein. In such event, the terms of the proposed Settlement Agreement shall not be deemed binding upon the signatories, nor shall the proposed Settlement Agreement be admitted into evidence or referred to or relied upon in any manner by any signatory.

9. The signatories agree that the foregoing Settlement Agreement is reasonable, not contrary to regulatory principals or the law, is in the best interest of all concerned, and urge that the Commission adopt the Settlement Agreement in its entirety.

Big Bear Resorts, Inc.

By *Michael C. [Signature]*

4-17-95
Date

Public Service Commission Staff

By *John K. [Signature]*

4/24/95
Date