

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

FOREST HILLS DEVELOPERS, INC. )  
 )  
\_\_\_\_\_ ) CASE NO. 95-197  
 )  
ALLEGED VIOLATION OF KRS 278.160 )

O R D E R

Forest Hills Developers, Inc. ("Forest Hills"), a Kentucky corporation, owns and operates a subdivision sewage treatment plant in Jefferson County, Kentucky, which is used for and in connection with the treatment of sewage to the public for compensation and which is not subject to the regulation of a metropolitan sewer district. It is, therefore, a utility subject to Commission jurisdiction. KRS 278.010(3)(f).

KRS 278.160 prohibits a utility from charging or collecting from any person a greater or less compensation for any service than that prescribed in its filed rate schedules. It further prohibits any person from receiving any service from a utility for a compensation greater or less than that prescribed in the utility's filed rate schedules.

A utility may provide free or reduced rate service to its officers, agents or employees. KRS 278.170(2). Such service may be provided only after notice of the reduced rate is given to the Commission and the Commission agrees. Id.

During proceedings before this Commission in Case No. 94-264,<sup>1</sup> Forest Hills' president testified that the utility is providing free service to present and former officials. Commission records do not indicate that the Commission has agreed to the provision of free service or that Forest Hills has submitted this rate to the Commission for review.

Based on its review of the testimony in Case No. 94-264 and being otherwise sufficiently advised, the Commission finds that a prima facie case exists that Forest Hills has failed to comply with KRS 278.160.

The Commission, on its own motion, HEREBY ORDERS that:

1. Forest Hills shall appear before the Commission on July 6, 1995 at 9:30 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, for the purpose of presenting evidence concerning the alleged violations of KRS 278.160 and KRS 278.170, and of showing cause why it should not be subject to the penalties prescribed in KRS 278.990(1) for its alleged violations.

2. Forest Hills shall submit to the Commission within 20 days of the date of this Order a written response to the allegations contained herein.

3. The record of Case No. 94-264 is incorporated by reference into the record of this proceeding.

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<sup>1</sup> Case No. 94-264, Application of Forest Hills Developers Sewage Treatment Plant for an Adjustment of Rates Pursuant to The Alternative Rate Adjustment Procedure for Small Utilities. T.R., Vol. III at 71-73.

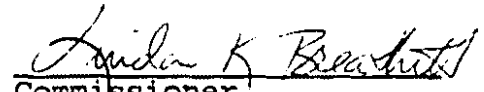
4. Any motion requesting an informal conference with Commission Staff to consider any matter which would aid in the handling or disposition of this proceeding shall be filed with the Commission no later than 20 days from the date of this Order.

Done at Frankfort, Kentucky, this 4th day of May, 1995.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director