

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

COVERED BRIDGE UTILITIES, INC.)	
_____)	CASE NO. 99-079
)	
ALLEGED FAILURE TO COMPLY)	
WITH THE COMMISSION'S)	
OCTOBER 9, 1998 ORDER IN)	
CASE NO. 97-455)	

O R D E R

Covered Bridge Utilities, Inc. ("Covered Bridge") is a Kentucky corporation that owns facilities used for the treatment of sewage for the public for compensation and is a utility subject to Commission jurisdiction. KRS 278.010.

By Order dated October 9, 1998, in Case No. 97-455,¹ the Commission approved new rates for Covered Bridge and directed the utility to file (1) revised tariffs setting forth the new rates within 30 days of October 9, 1998; and (2) a new rate application to establish an initial rate for Hayfield and to adjust as appropriate the residential rate, within 60 days of October 9, 1998.

No petition for rehearing or appeal was filed with respect to the October 9, 1998 Order, and it has remained in full force and effect since its entry. A review of the Commission's docket indicates that Covered Bridge did not file the new rate application as ordered by the October 9, 1998 Order. By letter dated February 5, 1999, Covered

¹ Case No. 97-455, The Application of Covered Bridge Utilities For a Rate Adjustment Pursuant To The Alternative Rate Filing Procedure For Small Utilities.

Bridge was requested to file within 10 days a report on the status of that rate application. To date, Covered Bridge has not responded to the February 5, 1999 letter, and has not filed its revised tariffs.

On February 16, 1999, Covered Bridge Farms Homeowner's Association ("Homeowner's Association"), an intervenor in Case No. 97-455, filed a motion requesting that Covered Bridge be held in contempt for failing to comply with the October 9, 1998 Order and requesting a refund of sewer charges. Pursuant to KRS 278.990(1), any utility that willfully fails to obey any Order of the Commission shall be subject to a civil penalty for each offense not less than \$25 nor more than \$2500. Based on the record in Case No. 97-455 and the motion for contempt filed by the Homeowner's Association, the Commission finds that there is a sufficient basis to indicate that two probable violations of the October 9, 1998 Order in Case No. 97-455 have been committed by Covered Bridge. Those probable violations are the failure to file within 30 days the revised tariffs, and the failure to file within 60 days a rate application to establish a rate for Hayfield and to adjust as appropriate the residential rate.

The Commission further finds that the motion for contempt filed by the Homeowner's Association, attached hereto as Appendix A, should be addressed in this case rather than Case No. 97-455.

IT IS THEREFORE ORDERED that:

1. Covered Bridge shall submit to the Commission with 20 days of the date of this Order its written response to: (a) the two probable violations discussed herein;

and (b) the motion for contempt filed by the Homeowner's Association, which is hereby made a part of the record in this case.

2. Covered Bridge shall appear on April 13, 1999, at 9:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, to present evidence concerning the alleged violations of the October 9, 1998 Order and the allegations set forth in the motion for contempt, and to show cause, if any it can, why it should not be subject to the penalties of KRS 278.990 for the two probable violations of the aforementioned Commission Order.

3. Any request by Covered Bridge for an informal conference with the Commission Staff shall be set forth in writing and filed with the Commission within 20 days of the date of this Order.

Done at Frankfort, Kentucky, this 10th day of March, 1999.

By the Commission

ATTEST:

Executive Director