

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF THE FAILURE OF ) ADMINISTRATIVE  
WOODLAND ACRES UTILITIES, LLC TO FILE ) CASE NO. 2011-00349  
REQUIRED REPORTS )

ORDER

On October 11, 2011, the Commission ordered Woodland Acres Utilities, LLC (“Woodland Acres”) to appear before us on October 27, 2011 and show cause why it should not be subject to a civil penalty for its alleged failure to comply with KRS 278.140 and KRS 278.230(3). We further ordered that, in lieu of appearing before us, Woodland Acres could waive its right to a hearing, pay a civil penalty of \$250.00, and file the required reports.

Woodland Acres appeared before the Commission on October 27, 2011, represented by legal counsel. Counsel for Woodland Acres made an oral motion for an extension of time up to and including November 30, 2011, for Woodland Acres to file the required reports. Counsel also waived the right to a hearing in the matter or to contest the assessment of a civil penalty for its failure to comply with KRS 278.230(3) and KRS 278.140. Counsel tendered payment of \$250.00 at the hearing.

On November 30, 2011, Woodland Acres filed an Amended Motion for Extension of Time to File Reports with the Commission (the “Motion”). The Motion stated that Woodland Acres has only owned the Woodland Acres wastewater treatment plant (“WWTP”) since July 2, 2009, and the Commission approved its Application for Transfer of the Woodland Acres WWTP on September 1, 2010, subject to the requirement to file

an Irrevocable Letter of Credit and Notice of Adoption and Journal Entry. These documents were filed with the Commission in the fall of 2011.

The Commission's Order of October 11, 2011 required that Woodland Acres file its annual sewer reports and sewer gross operating reports for the 2006, 2007, 2008, 2009, and 2010 calendar years. Woodland Acres' Motion requested that the Commission's Order not require Woodland Acres to file reports for the time periods prior to its ownership of the Woodland Acres WWTP. The Motion also requested an extension of time to file the required reports, up to and including December 31, 2011.

On December 21, 2011, the Commission granted Woodland Acres' Motion. The Commission's Order required that Woodland Acres file its annual sewer reports and sewer gross operating reports for only the 2009 and 2010 calendar years by December 31, 2011. On December 29, 2011, Woodland Acres filed a Second Amended Motion for Extension of Time to File Reports (the "second motion"). The second motion requested that Woodland Acres be granted an extension of time through and until January 31, 2012 to file the required reports.

The second motion stated Woodland Acres has begun preparing the required reports, but has not been able to complete them. Woodland Acres' second motion alleged that it has requested copies of its bank statements for the relevant time period from its bank, but the bank has not yet been able to produce the same. Woodland Acres alleges that these statements are required to complete the required reports. The Commission, by Order of January 17, 2012, granted Woodland Acres' motion for an extension and ordered that the reports be filed no later than January 31, 2012.

On February 1, 2012, Woodland Acres filed a Third Amended Motion for Extension of Time to File Required Reports. The motion requested an extension of time up to and including February 29, 2012. The motion stated that Woodland Acres requested copies of its bank statements for the relevant time period from its bank, which are needed to complete the required reports. Woodland Acres asserted that it had just recently received copies of the requested records, and was purportedly working to complete the required reports.

On February 29, 2012, the Commission issued an Order granting Woodland Acres' Third Motion for Extension of Time and ordered that Woodland Acres file the required reports no later than February 29, 2012. The February 29, 2012 Order stated that no further extensions of time would be granted absent a factual showing of undue hardship or exceptional circumstances. The Order also stated that, if Woodland Acres failed to file the required reports within the prescribed time, Woodland Acres would be subject to additional penalties. Woodland Acres did not file the required reports by February 29, 2012.

On March 28, 2012, William Hollister, Woodland Acres' accountant, filed with the Commission a request for an extension of time until June 30, 2012 in which to file its annual report for the year ending December 21, 2011. Mr. Hollister also stated that Woodland Acres would file its 2009 Annual Report by April 30, 2012 and its 2010 Annual Report by May 31, 2012. However, an employee in Mr. Hollister's office subsequently informed Commission Staff that Woodland Acres was no longer using the accounting agency to prepare the annual reports.<sup>1</sup>

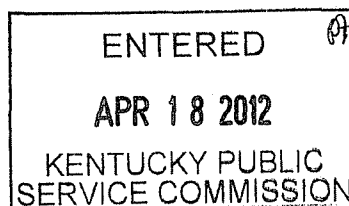
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<sup>1</sup> E-mail received from Richard Paulmann of William W. Hollister, PSC, to Jerry Wuetcher on April 5, 2012, filed on April 13, 2012.

As of the date of this Order, Woodland Acres has neither filed a motion for an extension of time nor has it filed the required reports; failure to file either is a violation of the Commission's February 29, 2012 Order. Furthermore, it appears that Woodland Acres, because it is no longer engaging Mr. Hollister's accounting firm, is not attempting to comply with the Commission's February 29, 2012 Order.

IT IS THEREFORE ORDERED that Woodland Acres shall appear on May 9, 2012, at 10:00 a.m. Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, for the purposes of showing cause why it should not be subjected to the penalties of KRS 278.990 for its failure to comply with the Commission's February 29, 2012 Order.

By the Commission



ATTEST:

  
Executive Director

Joe Murphy  
Woodland Acres Utilities, LLC  
379 Brookview Circle  
Brooks, KY 40109