

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SPANISH COVE SANITATION )  
SYSTEM, INC. )  
\_\_\_\_\_ ) CASE NO. 97-107  
ALLEGED VIOLATION OF KRS 278.160 )

O R D E R

Spanish Cove Sanitation System, Inc. ("Spanish Cove") has presently pending before the Commission an application for an increase in its rates for sewer service.<sup>1</sup> During the review of the billing data provided by Spanish Cove, discrepancies between the amounts actually charged to certain customers and Spanish Cove's authorized and tariffed rates were discovered.

The billing data contained in the record of Case No. 96-266 reflects that the customers identified in Appendix A as Commercial were billed charges in excess of Spanish Cove's tariffed rates for the calendar year 1994. It also appears from the data that the customers identified in Appendix A as Apartments were charged less than the approved rate for the same period.

Based upon the foregoing allegations, the Commission finds that a prima facie showing has been made that Spanish Cove and John Lawson, in his individual capacity as sole shareholder and an officer, have been and are currently charging rates that differ

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<sup>1</sup> Case No. 96-266, The Application of Spanish Cove Sanitation System, Inc. for a Rate Adjustment Pursuant to the Alternative Rate Filing Procedure for Small Utilities, Staff Report issued by Order dated March 18, 1997.

from those approved by the Commission and contained in the utility's approved tariff, a violation of KRS 278.160. KRS 278.990 provides that a maximum civil penalty of \$2,500 for each offense may be assessed by the Commission for a willful violation of any provision of KRS Chapter 278.

IT IS THEREFORE ORDERED that:

1. Spanish Cove, represented by counsel, and John Lawson, in his individual capacity, shall appear before the Commission on May 6, 1997 at 9:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky go show cause why civil penalties of up to \$2,500 for each violation should not be assessed and to show cause why reconciliation of its billings to reflect approved rates should not be ordered.

2. Spanish Cove shall immediately cease charging any rate which is less than or more than the rates approved in its authorized tariff.

3. Spanish Cove shall provide a copy of this Order to each of the customers identified in Appendix A by registered mail, return receipt requested. Spanish Cove shall provide the original returned receipts to the Commission within 10 days of completion of service.

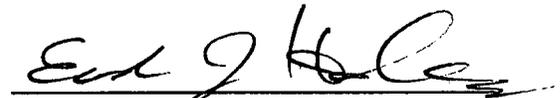
4. Spanish Cove and John Lawson, individually, shall file a written response to the allegations contained herein within 20 days of the date of this Order.

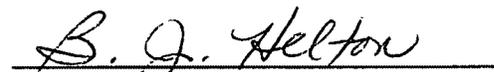
5. The record of Case No. 96-266 is incorporated by reference into the record of this proceeding.

Done at Frankfort, Kentucky; this 18th day of March, 1997.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 96-107 DATED MARCH 18, 1997

		<u>Amount Charged</u>	<u>Authorized Amount</u>	<u>Monthly Difference</u>	<u>Annual Difference</u>
<u>Commercial</u>					
Captain D's		\$ 32.00	\$ 32.00	\$ 0.00	\$ 0.00
T.K. Pub		160.00	32.00	128.00	1,536.00
Jefferson Animal Hospital		32.00	32.00	0.00	0.00
Red Cap Cleaners		32.00	32.00	0.00	0.00
Concord Custom Cleaners		300.00	32.00	268.00	3,216.00
Winn-Dixie		195.00	32.00	163.00	1,956.00
Baumgardner-Hogan		150.00	32.00	118.00	1,416.00
Premier Video		32.00	32.00	0.00	0.00
<u>Apartments</u>	<u>Units</u>				
5500 Delmarie Way	12	\$136.00	\$138.00	\$ (2.00)	\$ (24.00)
5502 Delmarie Way	12	136.00	138.00	(2.00)	(24.00)
Fireside Properties, Inc.	4	45.00	46.00	(1.00)	(12.00)
S.M.V. Properties	20	15.30	230.00	(214.70)	(2,576.40)
Hurstbourne Terrace	72	745.50	828.00	(82.50)	(990.00)
Hurstbourne Gardens	48	497.00	552.00	(55.00)	(660.00)