

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE ALLEGED)
DEFICIENCIES OF VERNA HILLS, LTD.) CASE NO. 9881

O R D E R

On September 1, 1988, Verna Hills Ltd. ("Verna Hills") filed a letter, which the Commission will treat as a petition, requesting a rehearing of the Commission's Order entered August 10, 1988. That Order assessed a penalty against Verna Hills for failing to make necessary repairs to the Verna Hills' sewer treatment plant and to correct the service deficiencies cited in Commission Utility Inspection Reports. Rehearing is requested on the grounds that the penalty will create a financial burden on Verna Hills and that it is unable to complete the necessary repairs within the 60-day time frame established by the August 10, 1988 Order.

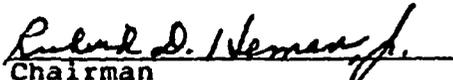
Based on the request for rehearing and being advised, the Commission is of the opinion and hereby finds that Verna Hills has failed to show good cause to justify a rehearing. Verna Hills was directed to repair its facilities by Commission Order entered May 9, 1986 in Case No. 9484, "The Application of Verna Hills Limited for an Emergency and Permanent Rate Increase." Over 2 years have passed since then and no significant improvements have been made. Verna Hills has failed to set forth any evidence to demonstrate

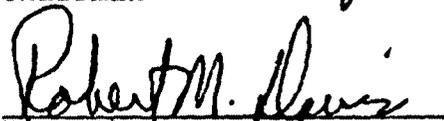
that it has undertaken even a good faith attempt to correct the service deficiencies.

IT IS THEREFORE ORDERED that Verna Hills' Petition for Rehearing be and it hereby is denied.

Done at Frankfort, Kentucky, this 21st day of September, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director