

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE INDIANA UTILITY)
 REGULATORY COMMISSION'S INVESTIGATION) CAUSE NO. 44314
 INTO THE OPERATION OF SANITROL, INC. AND)
 WHETHER ITS CERTIFICATE OF TERRITORIAL) APPROVED: APR 17 2013
 AUTHORITY SHOULD BE REVOKED)

ORDER OF THE COMMISSION

Presiding Officers:

Carolene Mays, Commissioner

Lorraine L. Seyfried, Chief Administrative Law Judge

On March 6, 2013, the Indiana Utility Regulatory Commission ("Commission") initiated this investigation into the operation of Sanitrol, Inc. ("Sanitrol") and its provision of sewage service to determine whether Sanitrol's Certificate of Territorial Authority ("CTA") should be revoked.

Pursuant to notice duly published as required by law, proof of which was incorporated into the record by reference and placed in the official files of the Commission, a Preliminary Hearing and Prehearing Conference was held in this Cause on March 27, 2013 at 1:30 p.m. in Room 224 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. Counsel for the Indiana Office of Utility Consumer Counselor ("OUCC") appeared. No counsel or representative of Sanitrol appeared.

Based upon the applicable law and evidence presented, the Commission finds:

1. Statutory Notice and Commission Jurisdiction. Due, legal and timely notice of the hearing in this Cause was given and published by the Commission as required by law. Notice of this investigation was also provided to Sanitrol's Registered Agent.

Sanitrol is a "public utility" as defined in Ind. Code § 8-1-2-1. Pursuant to Ind. Code § 8-1-2-58, investigations into any matter relating to a public utility may be summarily made, with or without notice. If the Commission becomes satisfied that sufficient grounds exist to warrant a hearing pertinent to the matters investigated, Ind. Code § 8-1-2-59 requires that the public utility involved be furnished a statement notifying it of the matters under investigation. In addition, Ind. Code § 8-1-2-89(k) specifically authorizes the Commission to revoke a CTA, after notice of hearing and hearing, for the failure of the CTA holder to furnish reasonably adequate sewage disposal service within its defined service areas. Accordingly, the Commission has jurisdiction over Sanitrol and the subject matter of this investigation.

2. Background. On January 18, 1995, the Commission issued an Order in Cause No. 39850 finding that a CTA to provide sewage service in a rural area in Morgan and Hendricks Counties, Indiana should be issued to Sanitrol. However, the Commission conditioned its granting of a CTA upon Sanitrol first filing a copy of its national pollutant discharge elimination system

("NPDES") permit. Sanitrol filed a copy of its NPDES permit on February 5, 1997. Thereafter, on February 13, 1997, the Commission issued an Order granting Sanitrol a CTA.

3. Commission Discussion and Findings. As set forth in the Commission's Order initiating this investigation, for the last two years Sanitrol has not filed with the Commission its annual public utility report in accordance with Ind. Code § 8-1-2-16. Nor has Sanitrol responded to Commission requests for information as required by Ind. Code § 8-1-2-52. Further, the utility explained in its 2009 Annual Report (at p. E-2) that construction of the sewage treatment facilities had not begun and the utility was not operational. The Commission's water staff had also received information from the Indiana Department of Environmental Management indicating that Sanitrol has not commenced construction of any sewage treatment facilities and no longer has an effective NPDES permit.

Therefore, the Commission determined it appropriate to commence this investigation into Sanitrol's operation and provision of sewage services to determine whether Sanitrol's CTA should be revoked. The Commission's investigation order further advised Sanitrol that failure to appear at the scheduled Preliminary Hearing and Prehearing Conference, or to otherwise notify the Commission of its intent to participate in this investigation, would result in the revocation of Sanitrol's CTA.

Sanitrol neither appeared at the Preliminary Hearing and Prehearing Conference nor notified the Commission of its intent to participate in this investigation. At the hearing, the OUCC also informed the Commission that it had not had any communications with Sanitrol. Therefore, the Commission finds that Sanitrol has failed to demonstrate that it is furnishing reasonably adequate sewage disposal service within its approved service area and Sanitrol's CTA shall be revoked.

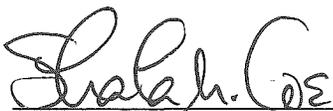
IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. Sanitrol's CTA to provide sewage services in a rural area in Morgan and Hendricks Counties, Indiana is revoked.
2. This Order shall be effective on and after the date of its approval.

ATTERHOLT, MAYS AND ZIEGNER CONCUR; BENNETT AND LANDIS ABSENT:

APPROVED: APR 17 2013

I hereby certify that the above is a true and correct copy of the Order as approved.



Shala M. Coe

Acting Secretary to the Commission