



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Daniel E. Logsdon Jr.
Commissioner

May 11, 2015

PARTIES OF RECORD

Re: Case No. 2014-00255

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Ann Ramser, Staff Attorney, at (502) 782-2585.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

ALR/ph

Attachment

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2014-00255
FROM: Ann Ramser, Staff Attorney
DATE: May 11, 2015
RE: Informal Conference of May 7, 2015

Pursuant to the Order issued on March 6, 2015, an informal conference was held in this matter on May 7, 2015. Attached is a copy of the attendance roster.

Ann Ramser began the meeting by advising the parties that notes would be taken during the informal conference and that a memorandum would be issued. The parties have five days to comment on the contents of the memorandum after it is filed into the record. The parties were further advised that the Commission is not bound by the views and comments of Commission Staff.

Louisville Water Company bills and receives payments on behalf of Bullitt Utilities. The sewer bill is included with the water bill. Robert Moore explained that Bullitt Utilities regularly receives payment from 696 customers through Louisville Water Company; however, Louisville Water Company bills 711 customers. No action has been taken against the approximate 15 non-paying customers and information regarding outstanding balances was not provided. Mr. Moore will provide information regarding the paying and non-paying rate payers, including whether the same 696 customers pay every month.

Ann Ramser requested copies of the billing contract between Louisville Water Company and Bullitt Utilities. Ms. Ramser also inquired if Bullitt Utilities had attempted to negotiate an agreement with Louisville Water Company to disconnect water for non-payment of the monthly \$26.83 sewer payment. Mr. Moore indicated he would investigate that possibility with Louisville Water Company.

Christopher Cogan indicated that as of April 17, 2015, Bullitt Utilities has borrowed \$568,000 in response to the March 2014 wastewater treatment plant failure. Since April 17, 2015, Bullitt Utilities has borrowed another \$120,000, but Mr. Cogan was not sure that all of the \$120,000 was related to the plant failure. Mr. Cogan will provide copies of all notes and the amount, if any, of the \$120,000 that is attributable to the plant failure.

Blue Stone is in the process of preparing a Sanitary Evaluation Study which should be available by the end of the month and will be provided to Staff and the Kentucky Attorney General once it is completed.

Bullitt Utilities and Bullitt County Sanitation District ("BCSD") have an oral agreement for a temporary connection to occur prior to the completion of the wet well. Mr. Moore drafted an agreement and the written agreement is being reviewed by BCSD. Mr. Moore will provide a copy of the executed agreement

Bullitt Utilities initially chose to use one contractor for recordable flow meters, but that contractor later said the recordable flow meters could not be supplied as quickly as originally indicated. On May 6, 2015, Bullitt Utilities ordered the recordable flow meters from another contractor and the meters are to be delivered in seven days. Based on the flow meters being delivered in seven days, the temporary connection between BCSD and Bullitt Utilities should occur within 10 to 14 days. As soon as the connection occurs between Bullitt Utilities and BCSD, Bullitt Utilities will disconnect from the Veolia/Pecco temporary wastewater treatment plant.

The Division of Water is in the process of reviewing the plans and specs for the wet well. Once the plan and specs are approved, the wet well should be completed within 30 days.

Bullitt Utilities indicated it would continue to provide updated information regarding expenses incurred.

Bullitt Utilities is still looking at a \$32.19 monthly surcharge, but acknowledges that the monthly surcharge may extend beyond seven years.

Bullitt Utilities has not finalized a long term solution regarding waste water treatment beyond December 31, 2016.

The Attorney General wants a hearing in this case. The amount of the monthly surcharge is more than double the amount Bullitt Utilities' ratepayers are currently paying. The Attorney General would also like to review the sanitation evaluation study prior to the hearing. Bullitt Utilities indicated the evaluation of the sanitation system should have no bearing on the amount of the surcharge.

The parties discussed their dates of availability for a hearing and the deadline for Bullitt Utilities to provide pre-filed testimony.

Mr. Moore agreed to provide the information requested during this informal hearing by May 18, 2015.

The informal conference then ended.

*Bullitt Utilities, Inc. dba Hunters Hollow Sewer
1706 Bardstown Road
Louisville, KY 40205

*Gregory T Dutton
Assistant Attorney General
Office of the Attorney General Utility & Rate
1024 Capital Center Drive
Suite 200
Frankfort, KENTUCKY 40601-8204

*Honorable Robert C Moore
Attorney At Law
Hazelrigg & Cox, LLP
415 West Main Street
P.O. Box 676
Frankfort, KENTUCKY 40602