

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF EXISTING AND)	CASE NO.
FUTURE SERVICE OF BULLITT UTILITIES,)	2014-00163
INC.)	

ORDER

Bullitt Utilities, Inc. (“Bullitt Utilities”) is a Kentucky corporation that owns and operates sewage collection and treatment facilities that serve approximately 689 customers in Hunters Hollow Subdivision in Bullitt County, Kentucky.¹ It is a utility subject to Commission jurisdiction.²

KRS 278.030(2) provides that “[e]very utility shall furnish adequate, efficient and reasonable service.”

KRS 278.260(1) provides that the Commission on its own motion may investigate any service that is “unreasonable, unsafe, insufficient . . . or that any service is inadequate or cannot be obtained.”

On March 29, 2014, Bullitt Utilities’ wastewater treatment plant suffered a catastrophic failure when its 250,000-gallon steel aeration tank came apart, spilling the untreated contents onto the ground and into an unnamed tributary of Brooks Run. Bullitt Utilities’ wastewater treatment plant cannot be repaired.

¹ Annual Report of Bullitt Utilities, Inc. for the Calendar Year Ending December 31, 2012 at 1 and 12.

² KRS 278.010(3)(f).

On April 14, 2014, Bullitt Utilities provided a Summary Report of the accident pursuant to 807 KAR 5:006, Section 27.³ Bullitt Utilities is currently using a temporary wastewater treatment plant to treat the wastewater. The temporary wastewater treatment plant had an initial capacity to treat 160,000 gallons per day, but was modified to treat in excess of 200,000 gallons per day of wastewater.⁴

Based on the March 29, 2014, failure of Bullitt Utilities' wastewater treatment plant and the current use of a temporary plant, the Commission finds that an investigation is necessary to determine the level of wastewater treatment service now provided and proposed to be provided in the future by Bullitt Utilities. The issues to be investigated in this case include, but are not limited to, the following: (1) whether Bullitt Utilities is currently able to provide reasonable, safe, and sufficient service to customers; (2) the length of time that the temporary wastewater treatment plant can remain in service; (3) the measures that are necessary to ensure that the customers of Bullitt Utilities will receive reasonable, safe, and adequate wastewater treatment service on a permanent basis; (4) the need for Bullitt Utilities to construct wastewater treatment facilities; and (5) the ability of existing facilities in the vicinity of Bullitt Utilities to provide wastewater treatment service.

IT IS THEREFORE ORDERED that:

³ Pursuant to 807 KAR 5:006, Section 27, the Summary Report was due seven calendar days after the failure; however, Bullitt Utilities was granted a deviation under 807 KAR 5:006, Section 28, for good cause shown. The Summary Report is attached hereto as Appendix B, and the April 7, 2014 letter from Jeff Derouen, Executive Director, Public Service Commission, to Robert C. Moore, Esq., granting the deviation is attached hereto as Appendix C.

⁴ See Appendix B.

1. This proceeding is initiated to investigate the issues surrounding Bullitt Utilities' provision of wastewater treatment service now and in the future as more fully discussed in the findings above.

2. a. Bullitt Utilities shall file with the Commission, no later than 14 days from the date of this Order, an original and five copies of the information listed in the Appendix A to this Order with a copy to all parties of record.

b. Bullitt Utilities' responses shall be appropriately bound, tabbed, and indexed and shall include the name of the witness responsible for responding to the questions related to the information provided.

c. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief.

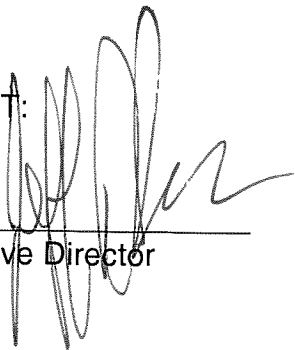
d. Bullitt Utilities shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

e. For any request to which Bullitt Utilities fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

By the Commission

ENTERED
MAY 22 2014
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2014-00163

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00163 DATED **MAY 22 2014**

1. a. Provide a copy of each Notice of Violation ("NOV") that Bullitt Utilities has received from the Kentucky Division of Water ("DOW") since January 1, 2008.

b. For each NOV provided in response to Item 1(a), state the final action taken by the DOW on the NOV and all corrective action that Bullitt Utilities performed in response to the NOV.

2. Pursuant to 807 KAR 5:071, Section 6(3), Bullitt Utilities is required to maintain a record of all system interruptions. Provide a copy of this record log showing all system interruptions since January 1, 2008.

3. a. Provide a copy of the procedures that Bullitt Utilities follows to inspect its sewage collection and treatment facilities.

b. Provide supporting documentation of the procedures provided in response to Item 3. a. above that shows the results of those inspections, including, but not limited to, the date of inspection, items inspected, findings, and any corrective actions identified.

4. State the name and address of each person or entity with whom Bullitt Utilities has contracted since January 1, 2008, to provide routine maintenance and operation services for its sewage collection and treatment facilities and the type of service provided. For each vendor identified, provide all written contracts regarding such services between Bullitt Utilities and the vendor.

5. Describe the role of Bullitt Utilities' management in the routine maintenance and operation of Bullitt Utilities' facilities.

6. State the current status of Bullitt Utilities' Kentucky Pollutant Discharge Elimination System ("KPDES") permit.

7. Provide all correspondence within the past 24 months between Bullitt Utilities and DOW regarding Bullitt Utilities' KPDES permit.

8. Describe the manner in which Bullitt Utilities currently intends to provide permanent wastewater service to the customers in the Hunters Hollow Subdivision and include a description of all wastewater collection and treatment facilities within a five-mile radius of Hunters Hollow Subdivision.

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00163 DATED **MAY 22 2014**

HAZELRIGG & COX, LLP

ATTORNEYS AT LAW

415 WEST MAIN STREET, SUITE 1

P.O. Box 676

FRANKFORT, KENTUCKY 40602-0676

JOHN B. BAUGHMAN
ROBERT C. MOORE
MARK R. BRENGELMAN

DYKE L. HAZELRIGG (1981-1970)
LOUIS COX (1907-1971)

FAX: (502) 875-7158
TELEPHONE: (502) 327-2271

April 14, 2014

RECEIVED

APR 14 2014

PUBLIC SERVICE
COMMISSION

Mr. Jeff R. Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602-0615

Re: Bullitt Utilities, Inc., d/b/a Hunters Hollow
Hunters Hollow Wastewater Treatment and Collection System
("Hunters Hollow")

Dear Mr. Derouen:

The following Summary Report of the above-referenced incident is submitted pursuant to 807 KAR 5:006, Section 27.

As previously reported to the Public Service Commission, at approximately 5:00 p.m. on March 29, 2014, the Hunters Hollow wastewater treatment plant located at Bluelick Road at Triangle, Bullitt County, Kentucky, suffered an unanticipated catastrophic failure, resulting in the discharge of untreated wastewater from the treatment plant and collection system. The cause of the failure has not been identified.

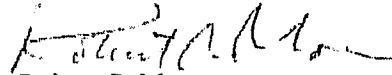
To stop the release of untreated wastewater into a nearby tributary to Brooks Run, a temporary WWTP was installed by Pecco, Inc. The failed Hunters Hollow WWTP had a design capacity of 250,000 and during normal operations, treated approximately 180,000 gpd. The Pecco WWTP initially had a design capacity of approximately 160,000 gpd, but has been modified so that it can treat in excess of 200,000 gpd of wastewater. The Pecco WWTP has been operational since on or about April 2, 2014. It is anticipated that the Pecco WWTP will be in operation for 3 to 6 months.

Bullitt Utilities has been working to identify a replacement WWTP that can be moved and installed at or near the site of the former Hunters Hollow WWTP. The plant under discussion is a 300,000 gpd WWTP that is currently owned by the Bullitt County Sanitation District ("BCSD"). Bullitt Utilities and the BCSD are currently in discussions over the purchase and installation of this WWTP, and Bullitt Utilities should have a report concerning these discussions within thirty (30) days.

Mr. Jeff R. Derouen
April 14, 2014
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I will be contacting you to discuss this matter and look forward to speaking with you at that time.

Yours truly,



Robert C. Moore

RCM

cc: Ann Ramser - via electronic mail at Ann.Ramser@Ky.gov

APPENDIX C

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00163 DATED **MAY 22 2014**



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 40602-0815
Telephone: (502) 664-3940
Fax: (502) 664-3480
psc.ky.gov

David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Linda Breathitt
Commissioner

April 7, 2014

Robert C. Moore, Esq.
Hazelrigg & Cox, LLP
415 West Main Street, Suite 1
P.O. Box 676
Frankfort, KY 40602-0676

RE: Request for Extension of Time per 807 KAR 5:006, Section 27(2)

Dear Mr. Moore:

This is to acknowledge receipt of your April 4, 2014, letter in which Bullitt Utilities, Inc. requests an extension of time to submit a summary written report regarding the Hunters Hollow Wastewater Treatment and Collection System that failed on March 29, 2014, and continues to affect customers in and around Bullitt County, Kentucky.

As provided for in 807 KAR 5:006, Section 27(2), a reasonable extension of time shall be granted for good cause shown. As Bullitt Utilities, Inc. continues to focus its efforts on restoring wastewater treatment service in Bullitt County, Commission Staff finds that an extension of the seven calendar days required to submit the summary report should be allowed. As requested in your letter, the summary report shall be due on April 14, 2014.

If you have any questions or wish further assistance, please contact Ann Ramser at (502) 782-2585.

Sincerely,


Jeff Derouen
Executive Director

Carroll F Cogan
President
Bullitt Utilities, Inc. dba Hunters Hollow Sewer
P. O. Box 91588
Louisville, KY 40291