



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

NEWS RELEASE

Contact:
Andrew Melnykovich
502-782-2564 or 502-564-3940
502-330-5981 (cell)
Andrew.Melnykovich@ky.gov

Two Owensboro-Area Sewer Systems File to Shut Down *PSC to Examine Abandonment Requests; Orders Continued Operation*

FRANKFORT, Ky. (April 2, 2015) – The Kentucky Public Service Commission (PSC) has opened proceedings to examine abandonment requests filed by two small sewer utilities in Daviess County.

Cedar Hills Disposal Sanitation Corp. and Friendly Park Development Inc. both filed abandonment requests with the PSC on Monday, March 30. The two utilities, although operating separately, share the same owner and operator.

Both utilities serve subdivisions in the Owensboro area. Cedar Hills has 119 customers; Friendly Park has 69.

In similar letters filed with the PSC, the utilities said that they intend to cease operations by April 30. In addition, Cedar Hills stated that its operating permit expired March 31 and no renewal will be sought.

In orders issued today, the PSC directed the utilities to remain in operation while the PSC reviews the abandonment requests and until the PSC issues a decision.

Customers have been notified of the abandonment request, the utilities said.

The utilities stated that they have been losing money and lack the financial means to repair deteriorating facilities. Due to age and ill health, the operator is having difficulty running the utilities and meeting testing and reporting requirements, and the utilities cannot afford to hire a replacement, the letters to the PSC said.

Furthermore, the owner wishes to retire and does not wish to pass the utilities on to his children, the letters said.

The utilities suggested that the Regional Water Resource Agency in Owensboro could serve the two subdivisions through its Owensboro East Waste Water Treatment Plant.

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In its orders, the PSC noted that a utility requires PSC approval prior to abandonment. If abandonment is granted, the PSC can seek to have a receiver – a temporary operator – appointed in Franklin Circuit Court.

The PSC directed that copies of its order be provided to the Kentucky Office of Attorney General, the Regional Water Resource Agency and Daviess County Judge-Executive Al Mattingly.

The PSC has not set hearing dates in the two cases.

Today's orders and the utility letters are available on the PSC website, psc.ky.gov. The case numbers are 2015-00100 (Cedar Hills) and 2015-00101 (Friendly Park).

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and has approximately 85 employees.

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