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NEWS RELEASE

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PSC Authorizes Bullitt Utilities to Abandon Sewer System *Will seek appointment of temporary operator before Sept. 30 shutdown date*

FRANKFORT, Ky. (Aug. 31, 2015) – The Kentucky Public Service Commission (PSC) has authorized the Bullitt Utilities sewer system, which serves about 700 customers in the Hunters Hollow and Hillview areas of Bullitt County, to abandon its sewer system.

In an order issued today, the PSC said that it will go to Franklin Circuit Court as soon as possible to seek appointment of a temporary operator, known as a receiver, to begin running the system prior to Sept. 30, when the abandonment takes effect.

The order does not identify a potential receiver. The PSC intends to seek appointment of the Bullitt County Sanitation District because it offers the best opportunity for the continuation of service to the customers of Bullitt Utilities.

The PSC found that Bullitt Utilities has met the conditions set by Kentucky law for abandonment. Once the conditions are met, the PSC is obligated to grant abandonment.

Once the PSC finds that a utility is abandoned, it can then seek appointment of a receiver. The PSC also may, as it did in this case, order the utility to continue operations for a time while a receivership is established.

“Any interruption of (sewer) service would likely result in a directive from the Bullitt County Health Department that the residences being served (by Bullitt Utilities) are uninhabitable and that they remain so until such time as wastewater service is resumed,” the PSC said in today’s order.

Flow from the Hunters Hollow system is currently going to the Bullitt County Sanitation District through temporary connections completed earlier this year. The district has a contract to receive and treat the waste through the end of next year.

The abandonment proceeding is the third of three cases involving Bullitt Utilities that have come before the PSC since the catastrophic failure of the company’s Hunters Hollow wastewater treatment plant on March 29, 2014.

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On May 22, 2014, the PSC opened an investigation into the adequacy of the service provided by Bullitt Utilities. A hearing was held March 15, 2015.

About two months after the PSC opened its investigation, on July 17, 2014, Bullitt Utilities filed a case seeking to construct new facilities and authority to impose a surcharge on its customers in order to both pay for new facilities and for the cost of temporary wastewater treatment facilities put in place after the Hunters Hollow plant failed. Bullitt Utilities has told the PSC that it has more than \$3 million in debts stemming from the plant failure.

The surcharge case was not accepted by the PSC until Feb. 24, 2015, after Bullitt Utilities corrected filing deficiencies. A hearing in the case was held June 9, 2015.

No final order has been issued in either the investigation or the surcharge case. Both cases remain before the PSC.

The PSC evidentiary hearing in the abandonment case was held last Thursday. Other parties to the case are the Kentucky Office of Attorney General, the Bullitt County Sanitation District and Bullitt County itself. The PSC's order also will be served on the Bullitt County Health Department, Bullitt County Judge-Executive Melanie Roberts, the mayors of Hunters Hollow and Hillview, and the Kentucky Division of Water, which regulates the discharge from the Hunters Hollow system.

Today's order, other records in the case and a video recording of the hearing are available on the PSC website, psc.ky.gov. The case number is 2015-00290. Records are also available in the investigation (2014-00163) and surcharge (2014-00255) cases.

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.