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## NEWS RELEASE

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# **PSC Approves Sale of Small Franklin County Sewer System**

## ***Kentucky-American Water buys Ridgewood system from Classic Construction***

**FRANKFORT, Ky. (Sept. 27, 2016)** – The Kentucky Public Service Commission (PSC) today approved the sale of the 107-customer Ridgewood sewer system in Franklin County to the state's largest privately owned water utility.

Kentucky-American Water Co. will pay \$15,000 to acquire the Ridgewood system from Classic Construction, Inc. The system serves a subdivision and nearby properties just off US Highway 127 just north of Frankfort.

In an order issued today, the PSC said that Kentucky-American Water has the necessary financial, technical and managerial ability to provide reasonable service to the Ridgewood customers. Noting that Kentucky statutes encourage regionalization and consolidation of water and wastewater systems, the PSC found that the transfer of control is in the public interest.

Kentucky-American Water has more than 128,000 water customers in 11 counties in central Kentucky. It operates three wastewater systems serving more than 1,000 sewer customers in Bourbon, Clark and Owen counties.

After the transaction is completed, Ridgewood customers will continue to pay for sewer service at the current monthly rate.

However, today's order approves a number of changes Kentucky-American Water proposed to various one-time charges and fees. These include new fees for activating a new account or disconnecting water services and reductions in fees for late payments or returned checks.

Fees for physical disconnection or reconnection of sewer service will remain the same in most circumstances. Kentucky-American also agreed to notify the Franklin County Health Department of any physical disconnections of sewer service in the Ridgewood system.

Classic Construction and Kentucky-American Water jointly applied for approval of the transfer on July 7. There were no other parties to the case. No evidentiary hearing was requested and the PSC based its decision on the written evidence submitted in the case.

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Today's action is the tenth time in the past five years that the PSC has approved the transfer of a small wastewater system to a larger operator – mostly municipal or county systems - with greater technical, managerial and financial resources. Together, those small systems serve more than 1,300 customers.

Today's order and the case file are available on the PSC website, [psc.ky.gov](http://psc.ky.gov). The case number is 2016-00222.

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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