

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

EVERGREEN SEWAGE DISPOSAL, INC., NOTICE)	CASE NO.
OF SURRENDER AND ABANDONMENT OF)	2016-00290
UTILITY PROPERTY CONSISTING OF A)	
FRANKLIN COUNTY WASTEWATER TREATMENT)	
PLANT)	

ORDER

On August 8, 2016, Evergreen Sewage Disposal, Inc. (“Evergreen”) tendered a notice of surrender and abandonment of utility property (“Notice”), stating its intent to surrender its wastewater treatment plant (“WWTP”) in Franklin County, Kentucky, and abandon the operation of its utility.¹ After curing a deficiency by filing an amended application (“Amended Application”),² Evergreen’s Amended Application was accepted for filing as of August 12, 2016.

On September 6, 2016, the Commission entered an Order that, among other things, initiated an investigation into the request by Evergreen to abandon its utility services and facilities and ordered Evergreen to file responses to information requested in the Appendix of that Order (“Commission’s First Request”).³ On September 19, 2016, Evergreen filed its responses to the Commission’s First Request. Having reviewed Evergreen’s responses and the record in the instant case, the Commission finds that

¹ Notice (filed Aug. 8, 2016) at 1.

² Amended Application (filed August 12, 2016).

³ Order (Ky. PSC Sept. 6, 2016) at 2 and 3.

Evergreen should be required to respond to the information requested in the Appendix attached to this Order.

The Commission finds that a hearing on this matter should be held on January 11, 2017, at the Commission's Offices at 9:00 a.m. Eastern Standard Time. We find that Evergreen should provide notice of the hearing to its customers through mailing a notice to each customer.

IT IS THEREFORE ORDERED that:

1. A formal hearing in this matter shall be held on Wednesday, January 11, 2017, at 9:00 a.m. Eastern Standard Time, in the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.

2. Evergreen shall appear at the formal hearing scheduled on January 11, 2017.

3. Evergreen shall mail a copy of the notice of hearing to each customer and shall give notice of the hearing in compliance with 807 KAR 5:001, Section 9(2)(b). In addition, the notice of hearing shall include the following statement: "This hearing will be streamed live and may be viewed on the PSC website, psc.ky.gov." At the time the notice is mailed, Evergreen shall forward a duplicate of the notice and request to the Commission.

4. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9)(a), the record of the formal hearing in this matter shall be by digital video recording.

5. The information requested in the Appendix to this Order is due within 14 days of the date of this Order. Pursuant to 807 KAR 5:001, Evergreen is to file with the

Commission the original and seven copies of the information, with a copy to all parties of record.

a. Responses to requests for information 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.

b. 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 the 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 formed after a reasonable inquiry.

c. Any party 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.

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

e. A party filing a paper containing personal information shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

4. Service of any document or pleading required by this Order shall be filed with the Commission and served upon all parties of record in accordance with 807 KAR 5:001, Section 4(8).

5. A copy of this Order shall be served to the Kentucky Division of Water, the Franklin County Judge/Executive, and the Farmdale Sanitation District.

By the Commission

ENTERED
NOV 09 2016
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2016-00290 DATED **NOV 09 2016**

1. Refer to Evergreen's response to the request for information contained in the Appendix to the Commission's September 6, 2016 Order ("Commission's First Request"), Item 8. The response states, in pertinent part, that the officers and directors of Evergreen "wont [sic] consider dismissing a rate increase with the Public Service Commission staff." Please clarify what Evergreen means by this statement.

2. Provide a copy of the written notices required by KRS 278.020(11) which were sent to the Kentucky Division of Water, the Office of the Attorney General, the Franklin County Judge/Executive, the Franklin County Health Department, and the Franklin County Planning and Zoning Commission.

3. Refer to Evergreen's response to the Commission's First Request, Item 12. The response states that no party contacted by Evergreen was interested in purchasing the utility. Has Evergreen offered to transfer the utility system for nominal consideration to any individual identified in Evergreen's response to Item 12? If Evergreen has not offered to transfer the utility system for nominal consideration, state why.

4. Provide the following information for the current shareholder(s) of Evergreen.

- a. The name and address of each shareholder of Evergreen;
- b. The number of shares of stock currently owned by each shareholder and the corresponding percentage of ownership;

- c. The date(s) the shareholder acquired ownership of his/her shares of stock;
- d. Whether the shareholder currently serves as a director of Evergreen; and
- e. Whether the shareholder voted to approve the proposed abandonment. If the shareholder was not entitled to vote on the proposed abandonment, state the reason(s) why the shareholder was not entitled to vote.

5. Per the *Annual Report of Evergreen Sewage Disposal System to the Public Service Commission for the Year Ended December 31, 2013* ("2013 Annual Report") at page 11 of 44, the only principal officer for Evergreen is identified as Michael Dailey, President/Treasurer. Per the *Annual Report of Evergreen Sewage Disposal System to the Public Service Commission for the Year Ended December 31, 2012* ("2012 Annual Report") at page 11 of 44, the only principal officer for Evergreen is identified as Earline Stone, President/Treasurer. Explain whether there was a change in control of Evergreen in 2012 or 2013.

6. State the name and title of each witness that Evergreen intends to call at the January 11, 2017 hearing. If Evergreen does not intend to call individual(s) who prepared or supervised the preparation of Evergreen's responses to request for information, state why the individuals(s) will not be called as a witness.

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