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AUG 27 2015

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BULLITT UTILITIES, INC.'S NOTICE OF
SURRENDER AND ABANDONMENT OF
UTILITY PROPERTY

)
) CASE NO. 2015-00290
)

**BULLITT UTILITIES, INC.'S COMPLIANCE WITH AUGUST 24, 2015, ORDER
CONCERNING ABANDONMENT OF UTILITY PROPERTY**

Comes Bullitt Utilities, Inc., (hereinafter "Bullitt Utilities"), by counsel, and in compliance with the Public Service Commission's ("Commission") Order of August 24, 2015, hereby states as follows:

- 1) The Hunters Hollow Wastewater Treatment Plant ("WWTP") owned by Bullitt Utilities suffered, without warning, a catastrophic failure on March 29, 2014. This WWTP has been operated and maintained by Covered Bridge Utilities ("Covered Bridge"), which employs certified WWTP operators, for over 20 years. Covered Bridge's personnel have never detected any sign of possible failure of the WWTP on their daily inspections of the WWTP. Personnel from the Kentucky Division of Water ("DOW") and the Commission also inspected the WWTP, and made no reports of a possible failure of the WWTP.
- 2) Since the failure of the WWTP, Bullitt Utilities has spent a significant amount of time, resources and money in meeting with officials from the Department of Environmental Protection's Division of Water and Division of Enforcement, the Commission, the Louisville and Jefferson County Metropolitan Sewer District, Bullitt County, the Bullitt County Sanitation District ("BCSD"), the City of Hillview and the City of Hunters Hollow in attempting to arrive at a short term and long term solution to the catastrophic failure of the WWTP.

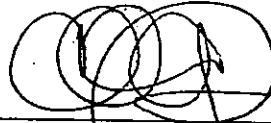
- 3) Since March 29, 2014, Bullitt Utilities has incurred extraordinary expenses in responding to the initial failure of the WWTP and in providing temporary treatment of the wastewater generated by the customers of the Hunters Hollow collection system through the Pecco temporary WWTP and the Veolia temporary WWTP. As reflected in the Post-Hearing Brief filed on behalf of Bullitt Utilities in PSC Case No. 2014-00255, these expenses exceed the amount of Three Million Four Hundred Thousand Dollars (\$3,400,000.00).
- 4) Bullitt Utilities is a small company that provides sanitary sewage treatment for approximately 709 customers located in Bullitt County, Kentucky. These customers pay a monthly fee of \$26.83 for sanitary sewage treatment for a total monthly revenue to Bullitt Utilities of \$19,022.72, and a total annual revenue of \$228,269.64.
- 5) In April of 2014, BCSD agreed to accept 60,000 gallons per day of wastewater and Bullitt Utilities contracted and paid almost \$14,000 for the engineering and piping work to connect the two systems. BCSD then reneged on the agreement and refused to accept this partial flow. On November 10, 2014, Bullitt Utilities entered into a written contract with BCSD whereby BCSD agreed to make any and all reasonable efforts to accept the wastewater flow from the Hunters Hollow collection system within sixty (60) days of the execution of the agreement. Despite the language of the agreement, BCSD did not accept the wastewater flow from the Hunters Hollow collection system until May 27, 2015. These decisions have caused Bullitt Utilities to incur over Two Million Dollars (\$2,000,000.00) in additional expenses to continue to treat the wastewater generated by the customers of the Hunters Hollow collection system.
- 6) On May 27, 2015, BCSD began to accept approximately 180,000 gallons per day of wastewater from the Hunters Hollow collection system. During wet weather events, the flow from

the Hunters Hollow collection system exceeds the amount of flow accepted for treatment by BCSD, and bypasses have occurred, which are reported to the Kentucky Division of Water.

7) Bullitt Utilities' monthly expenses significantly exceed its monthly revenue, and it is no longer able to obtain financing from any sources in order to pay the cost of operating and maintaining the Hunters Hollow collection system.

8) Bullitt Utilities therefore submitted its application to abandon, surrender, disclaim, renounce, and/or relinquish all of its property interests and rights in and to the property, both real and personal, if any, owned by the utility to the Commission, said abandonment, surrender, disclaimer, renunciation, and/or relinquishment to be effective September 1, 2015, or as determined by the Public Service Commission.

9) By Resolution of the Board of Directors of Bullitt Utilities, Inc., effective August 26, 2015, Carroll F. Cogan, the President of Bullitt Utilities, Inc., by and through his Attorney-In-Fact, Christopher G. Cogan, has been authorized to abandon, surrender, disclaim, renounce, and/or relinquish to the Kentucky Public Service Commission the property of Bullitt Utilities, Inc., including but not limited to real and personal property, if any, and to execute any and all documents necessary to abandon, surrender, disclaim, renounce, and/or relinquish to the Kentucky Public Service Commission the property of Bullitt Utilities, Inc. A copy of said Resolution is attached hereto.

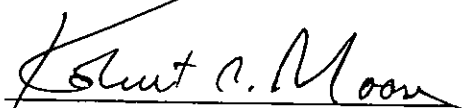


Christopher G. Cogan,
Attorney-in-Fact for Carroll F. Cogan

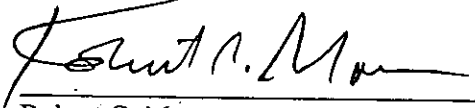
STATE OF KENTUCKY
COUNTY OF FRANKLIN

Subscribed and sworn to before me by Christopher G. Cogan, as Attorney-in-Fact for Carroll F. Cogan, President, Bullitt Utilities, Inc., this 26TH day of August, 2015.

My commission expires: 2/22/18


Notary Public

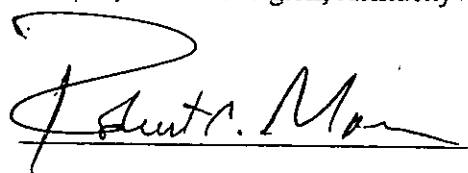
Respectfully Submitted,



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Attorney for Bullitt Utilities, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by hand delivery on Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, Kentucky 40602 and by first class mail and electronic mail on Gregory T. Dutton, Assistant Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204, Jerry Kennedy, Bullitt County Sanitation District, 297 Lees Lane North, Louisville, Kentucky 40229 and Scott Stutler, S 2 Law, 417 Helm Lane, Mt. Washington, Kentucky 40047 on this the 27TH day of August, 2015.



MINUTES OF BULLITT UTILITIES, INC.

A special meeting of the Board of Directors of Bullitt Utilities, Inc., was held telephonically, at approximately 6 p.m., on August 26, 2015. Present was Carroll F. Cogan, through his Attorney-In-Fact, Christopher G. Cogan, constituting the full membership of the said Board. All members of the Board of Directors waived formal written notice of said Special Meeting. By unanimous consent, Carroll F. Cogan, through his Attorney-In-Fact, Christopher G. Cogan, presided as Chairman and Secretary.

The abandonment, surrender, disclaimer, renunciation, and/or relinquishment to the Kentucky Public Service Commission of all of the property of Bullitt Utilities, both real and personal, if any, due to the ongoing inability to pay for the operation and maintenance of the Hunters Hollow collection system, and the inability to obtain financing to pay for same, was discussed. On motion duly made, seconded and unanimously carried, the following resolutions were adopted:

RESOLVED, that Bullitt Utilities, Inc., is to abandon, surrender, disclaim, renounce and/or relinquish any and all of its property, both real and personal, if any, to the Kentucky Public Service Commission, subject to the approval of the Kentucky Public Service Commission, as soon as possible. The abandonment, surrender, disclaimer, renunciation, and/or relinquishment to the Kentucky Public Service Commission of all of its property is due to Bullitt Utilities, Inc.'s inability to pay for the operation and maintenance of the Hunters Hollow collection system, and the inability to obtain financing to pay for same.

RESOLVED, that Carroll M. Cogan, the President and sole shareholder of Bullitt Utilities, by and through his Attorney-In-Fact, Christopher G. Cogan, is hereby authorized to execute any and all documents necessary to abandon, surrender, disclaim, renounce and/or relinquish the assets of Bullitt Utilities, Inc., to the Kentucky Public Service Commission, including but not limited to applications, assignments, deeds and notices to be filed with the Kentucky Public Service Commission and any other regulatory body or agency, said abandonment, surrender, disclaimer, renunciation, and/or relinquishment to occur as soon as possible.

There being no further business to come before the meeting, the same was adjourned by unanimous consent.



Carroll F. Cogan, by Christopher G.
Cogan, Attorney In-Fact for Carroll F.
Cogan

Date: 8/26/15