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PUBLIC SERVICE
COMMISSION

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

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

**RESPONSE TO QUESTIONS CONTAINED IN THE APPENDIX OF AN
ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION DATED
SEPTEMBER 6, 2016.**

INDEX:

1. Response
2. Exhibit A (copy of the deed to real property)

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RESPONSE TO ORDER

1. State and describe in detail any upgrades that Evergreen currently needs in order to continue operating and remain in compliance with all regulations, and provide the corresponding cost of each upgrade.

Answer: None.

2. State the current number of customers.

Answer: Forty Two (42).

3. State the current number of customers with delinquent accounts.

Answer: None.

4. State the number of disconnections performed year to date.

Answer: None.

5. State and describe the steps taken to collect on delinquent accounts, including whether late notices are sent, service is cut off, or any court-enforcement actions are commenced.

Answer: A few times in prior years the Farmdale Water District has threatened to cut off service for non payment. No service has been cut off.

6. State the number of customers who have had water service cut off for delinquent sewer bills year to date.

Answer: None.

7. Explain in detail Evergreen's average monthly operating costs.

Answer: Annual Expenses:

Public Service Commission	\$ 473.00
Interest	\$ 230.26

Legal & accounting	\$ 625.00
Office Supplies	\$ 58.92
Postage	\$ 19.00
Monitoring/Maintenance	\$ 8,575.48
Utilities	\$ 2708.73
Total	\$12,680.45

Accordingly, the average monthly cost is \$1,056.70.

8. State whether Evergreen would consider applying for and requesting a rate increase.

Answer: The officers and directors of Evergreen want to abandon the WWTP and be released from the burden of operating it; but they wont consider dismissing a rate increase with the Public Service Commission staff.

9. State whether Evergreen is willing to continue operating the system if a rate increase is granted.

Answer: No.

10. State whether the system is currently in compliance with all Public Services Commission and Kentucky Division of Water regulations. If not, describe in detail each area of noncompliance.

Answer: Yes.

11. Provide the status of the Evergreen discharge permit.

Answer: The permit expires March 1, 2018. It is in good standing.

12. Identify all individuals, surrounding sanitation districts, and municipal systems contacted regarding a potential transfer or sale of the system, and the result of any such communications.

Answer: Franklin County Executive Judge Huston Wells, Franklin County Planner, Robert Hewitt, Farmdale Sanitation Board Chairman, Alan Alsip. Both entities indicated interest in operation of the WWTP or Receiver. Neither was interested in purchasing the utility.

13. State whether any Evergreen residents have been approached or have expressed interest regarding operating or taking over the system.

Answer: No.

14. Does Evergreen intend to relinquish control and ownership of interests in all property necessary for providing utility service as provided for under KRS 278.021? List and describe all such property interests their estimated value.

Answer: Yes, a copy of the deed to the real property where the WWTP is located is attached. All equipment is attached and a part of the real property, values are unknown.

15. Identify any other stat or local agencies that have been contacted regarding the proposed abandonment.

Answer: Franklin County Fiscal Court and Farmdale Sanitation District.

16. If Evergreen is authorized to abandon, detail the procedures and processes it will follow in shutting down the utility.

Answer: Evergreen anticipates executing a deed to the real property and transferring bank accounts, tax records and other business documents to the receiver appointed by the Franklin Circuit Court.

17. State whether the affirmative vote, approval, or consent of the directors(s) of Evergreen was required to authorize the filing of an action to surrender all of its property interests and rights in and to the property owned by Evergreen necessary to provide utility service. If such is the case, provided a summary of the process of affirmative vote, approval, or consent and supply all related business records that document the process. If not, explain why, and fully describe the process that authorized the filing of the Notice in the instant case.

Answer: Michael Dailey and each of the directors of the corporation discussed filing this action by telephone. After thorough discussions the unanimous decision was reached to proceed with the legal steps to abandon the utility.

18. Provide a list of all property held by Evergreen used in providing utility service. Provide a copy of each deed, easement, or agreement corresponding to the real property utilized by Evergreen in providing utility service.

Answer: Copy of deed attached. All equipment is attached to the real property. There are no vehicles, tractors , mowers or other personal property.

19. Identify how Evergreen has authorized the transfer of the property used in providing utility service and provide any instrument of transfer that has been executed by Evergreen. If an instrument of transfer has not been executed, state whether one will be prepared in connection with the proposed abandonment.

Answer: A deed will be drafted when a closing date is set or otherwise at the appropriate time.

20. Provide a list of each pending court case in which Evergreen is a party.

Answer: None.

Respectfully Submitted,

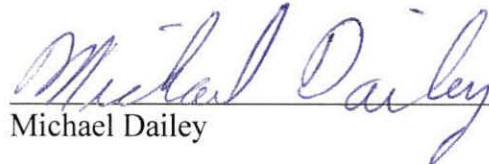


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JBaughman@Hazelcox.com
Counsel for Evergreen Sewage Disposal, Inc.

VERIFICATION


On behalf of Evergreen Sewage Disposal, Inc., I have read the above answers and believe them to be true and accurate.

Evergreen Sewage Disposal, Inc.


Michael Dailey

Commonwealth of Kentucky)
)Ss.
County of Franklin)

Subscribed, sworn to and acknowledged before me this 16th day of September, 2016, by Michael Dailey as President, Evergreen Sewage Disposal, Inc.


Notary Public; Commonwealth of Kentucky
State at Large, Notary ID: 539406
My Commission expires: 8-16-19



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DEED

THIS DEED, made and entered into this 15th day of April, 1977, by and between ROSCOE PEACH and ICIE PEACH, his wife, of Frankfort, Kentucky, as parties of the first part, and EVERGREEN SEWAGE DISPOSAL, INC., a Kentucky corporation, whose principal office address is: 215 St. Clair Street, Frankfort, Kentucky, as party of the second part;

WITNESSETH:

That for and in consideration of the sum of Five Hundred Dollars (\$500.00), cash in hand paid, the receipt of which is hereby acknowledged, the parties of the first part have bargained and sold and hereby grant, alien and convey unto the party of the second part, its successors and assigns, the following described property situated in Franklin County, Kentucky, to-wit:

Lying and being in the Evergreen Subdivision in Franklin County and more particularly described as follows:

Being a portion of Lot #23 of the Evergreen Subdivision of record in Deed Book 160, at page 360, Franklin County Court Clerk's Office and resubdivided as Lot #23F as shown and designated on said plat of record in Deed Book 223, page 279, in the office aforesaid.

Being Partial No. 6 conveyed to Roscoe Peach and Icie Peach, his wife, by Chat Chancellor, Special Master Commissioner, by deed dated November 26, 1975, and of record in Deed Book 268, page 440, Franklin County Court Clerk's Office.

TO HAVE AND TO HOLD the above-described property with the improvements thereon and the appurtenances thereunto belonging in fee simple unto the party of the second part, its successors and assigns, with Covenant of General Warranty of Title.

IN TESTIMONY WHEREOF, witness the signatures of the parties of the first part on this the day and date first above written.

Roscoe Peach

ROSCOE PEACH

Icie Peach

ICIE PEACH

I, LLOYD T. RUSSELL, CLERK OF THE FR. COUNTY COURT DO CERTIFY THAT WAS COLLECTED AS TAX ON THIS DEED.
LLOYD T. RUSSELL, BY *L. T. Russell*

FILED

SEP 12 11 47 AM '79

BY _____ D.C.

COLES & BOYD
ATTORNEYS AT LAW
215 ST. CLAIR STREET
FRANKFORT, KENTUCKY
40601

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STATE OF KENTUCKY
COUNTY OF FRANKLIN

The foregoing instrument was acknowledged before me by
Roscoe Peach and Icie Peach, his wife, on this the 15th day of
April, 1977.

Jerie Ackerson Smith
Notary Public
State of Kentucky at Large

My commission expires: 5-12-80.

THIS INSTRUMENT PREPARED BY:

James F. Boyd
James F. Boyd
Attorney at Law
215 St. Clair Street
Frankfort, Kentucky 40601

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COLES & BOYD
ATTORNEYS AT LAW
215 ST. CLAIR STREET
FRANKFORT, KENTUCKY
40601

STATE OF KENTUCKY } SCT.
COUNTY OF FRANKLIN }

I, LLOYD T. RUSSELL, CLERK OF SAID
COUNTY COURT, HEREBY CERTIFY
THAT THE FOREGOING INSTRUMENT
HAS BEEN FILED IN MY OFFICE
BOOK 299 PAGE 575
SAID OFFICE 9/12/77 BY MY
LLOYD T. RUSSELL, CLERK
BY *B. May* D.C.