

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EVERGREEN SEWAGE)	
DISPOSAL, INC. FOR APPROVAL OF)	
TRANSFER OF EVERGREEN SEWAGE)	CASE NO.
DISPOSAL SYSTEM TO FARMDALE)	2016-000290
SANITATION DISTRICT)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO EVERGREEN SEWAGE DISPOSAL, INC.

Evergreen Sewage Disposal, Inc. ("Evergreen"), pursuant to 807 KAR 5:001, is to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due within 14 days of the date of this request. Responses to requests for information shall be appropriately bound, tabbed, and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

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 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.

Evergreen 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. For any request to which

Evergreen fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When filing a paper containing personal information, Evergreen shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Confirm that Evergreen's exact corporate name is "Evergreen Sewage Disposal, Inc." If Evergreen has a different corporate name or an assumed name it does business as, provide the name(s).

2. Provide a copy of the ordinance that established the Farmdale Sanitation District ("Farmdale"); additionally, if applicable, provide a copy of each subsequent ordinance pertaining to Farmdale.

3. Refer to the Agreement between Evergreen and Farmdale dated January 4, 2017, and provide the following:

a. Fully describe the process through which Evergreen authorized Mike Dailey to execute the Agreement on behalf of Evergreen. Supply all related business records that document Mr. Dailey's authority to execute the Agreement.

b. Fully describe the process through which Evergreen authorized the filing of a request for a transfer. Supply all related business records that document the authorization.

c. Fully describe the process through which Farmdale authorized Allan Alsip to execute the Agreement on behalf of Farmdale. Supply all related records that document Mr. Alsip's authority to execute the Agreement.

d. Fully describe the process through which Farmdale authorized an acceptance of Evergreen's sewage disposal system. Supply all related records that document the authorization.

4. For Farmdale, provide the following:

a. Describe Farmdale's technical ability and resources to manage and operate the Evergreen system, including, but not limited to, its employment of or contractual arrangement for a qualified and certified operator for the system.

b. Describe Farmdale's financial ability and resources to manage and operate the Evergreen system, including, but not limited to, available funds, lines of credit, loans, grants, or other financial support.

c. Describe Farmdale's managerial ability and resources to manage and operate the Evergreen system.

d. If Farmdale has entered into a contract with any third party regarding the performance of technical, financial, or managerial services by the third party on behalf of Farmdale, provide a copy of each contract.

5. The *Annual Report of Evergreen Sewage Disposal System, to the Public Service Commission for the Year Ended December 31, 2015* ("2015 Annual Report") at page 13 of 44 does not contain an end-of-year balance amount for customer deposits.

a. Confirm that Evergreen does not hold any customer deposits.

b. If Evergreen holds any customer deposits, state whether Evergreen will refund the deposits that it holds, transfer the deposited funds to Farmdale, or apply or transfer the funds to another use. If applied for another use, then identify the other use.

6. Evergreen's motion to continue and to amend, page 1, Item 3, states "Pursuant to KRS 220.030, Farmdale was established to, among other things, provide for the collection and disposal of sewage and to prevent and correct the pollution of streams."

a. Confirm that Farmdale Sanitation District currently does not have any customers, and additionally, confirm that it has not set initial rates.

b. State the rates that will be charged to all current Evergreen customers upon completion of the transfer. Provide an estimate of the annual revenues derived from the customers using the proposed rate schedules.

(1) If Farmdale intends to charge the current flat rate for Evergreen customers, state the approximate length of time that Farmdale intends to charge that rate.

(2) If Farmdale intends to charge a rate that is different from the current flat rate for Evergreen customers, state the process through which Farmdale will implement those new rates.

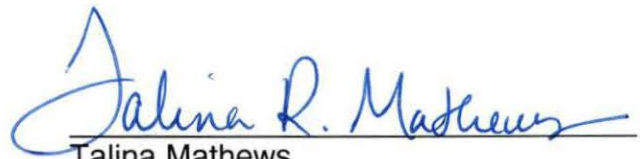
c. The current flat rate for a single-family residential customer is \$40.00 per month, and \$40.00 per residential equivalent for multi-family dwellings. If the rates to be charged are different than the current flat rate, state whether Evergreen has provided notice of this potential change in rates to its customers. If so, provide a copy of the notice(s).

7. Refer to the Agreement attached with the motion to continue and to amend, page 2, Item 7, which states: "The Seller shall continue to operate the WWTP until the PSC approves the transfer contemplated by this Agreement." With regard to the WWTP that is to be transferred:

a. State whether Farmdale intends to continue to operate the WWTP upon successful transfer of the assets listed in the statement above.

b. If the response to Item 7.a. is no, state the manner in which Farmdale intends to treat the effluent created by the Evergreen system.

c. If Farmdale does not intend to continue to operate the WWTP, describe the process for the decommissioning of the WWTP and provide a time estimate for when this work will be completed.



Talina Mathews
Executive Director
Public Service Commission
P.O. Box 615
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DATED: **FEB 01 2017**

cc: Parties of Record

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