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## NEWS RELEASE

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### **PSC OKs Sale of Water System in Rockcastle County** ***Kentucky American Water Co. to take over Eastern Rockcastle Water Association***

**FRANKFORT, Ky. (Jan. 19, 2018)** – The Kentucky Public Service Commission (PSC) has approved the sale of the Eastern Rockcastle Water Association to Kentucky American Water Co. (KAWC).

KAWC is to pay no more than \$770,000, subject to a final accounting of Eastern Rockcastle's finances.

In an order issued today, the PSC found that the sale will benefit Eastern Rockcastle's customers, since KAWC has greater resources available to make system improvements. The PSC also found that, as required by Kentucky law, KAWC has the financial, technical and managerial abilities to provide reasonable service to Eastern Rockcastle's customers.

Furthermore, the sale is consistent with the public interest and furthers the state's goal to regionalize and consolidate water systems in Kentucky, the PSC said.

Eastern Rockcastle is owned by and serves more than 600 customers. KAWC has nearly 131,000 customers in Fayette and ten other counties in central Kentucky.

In today's order, the PSC noted that Eastern Rockcastle's member-customers had voted overwhelmingly in favor of the sale to KAWC.

KAWC will keep Eastern Rockcastle's current water rates in place after the sale is completed. Terms of service regarding billing, connections, disconnections and other matters will change to those in effect for the KAWC service territory. In the application, KAWC said it would improve service over time to reach the same level provided to its other customers.

Eastern Rockcastle will issue final bills that will include credits for all customer deposits. Any remaining deposit funds will be refunded to customers. KAWC will not require customer deposits.

The only other parties to the case were two Eastern Rockcastle customers who objected to the sale, saying that it had not been conducted in accordance with state law. After reviewing their arguments, the PSC found that the Eastern Rockcastle's board of directors acted properly in reaching the agreement to sell to KAWC.

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Neither the applicants nor the opponents of the sale requested a formal hearing in the case, leaving the PSC to decide the matter on the basis of the written record.

Today's order and other documents in the case are available on the PSC website, [psc.ky.gov](http://psc.ky.gov). The case number is 2017-00383.

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.

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