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NEWS RELEASE

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PSC Oks Transfer of Small Franklin County Sewer Systems Farmdale Sanitation District acquiring Coolbrook Utilities and Farmdale Development

FRANKFORT, Ky. (July 24, 2017) – The Kentucky Public Service Commission (PSC) has approved the sale for \$1 each of the Coolbrook Utilities and Farmdale Development sewage systems in Franklin County to the Farmdale Sanitation District.

In orders issued today, the PSC found that Farmdale Sanitation has the necessary financial, technical and managerial ability to provide reasonable service to the customers of the systems. It has obtained the services of a certified operator to run the systems.

In May, Coolbrook, Farmdale Development and Farmdale Sanitation filed with the PSC applications seeking approval of the two transfers of control.

Farmdale Sanitation was created by the Franklin County Fiscal Court in 2004 for the purpose of eventually providing sewer service in southwest Franklin County. It currently serves the 41 customers formerly served by Evergreen Disposal, which Farmdale Sanitation acquired in March.

Farmdale Sanitation owns eight acres on which it eventually plans to build a wastewater treatment plant that will consolidate treatment of wastewater from the systems it is acquiring. Farmdale Sanitation has hired an operator to run the Evergreen, Coolbrook, and Farmdale Development systems, as well as three other systems it plans to acquire.

Coolbrook includes sewers and a small wastewater treatment plant serving about 445 residential customers in southwest Franklin County. The Farmdale Development system, which also includes a wastewater treatment plant and associated sewers, serves about 245 customers in the same area.

Farmdale Sanitation told the PSC that it intends to continue charging Farmdale Development's customers the current monthly rate of \$40.19. Coolbrook's customers will continue to be charged the current \$32.31 per month for sewer service until Farmdale Sanitation develops a formal rate schedule.

Once the sale is complete, the rates and service of the Coolbrook and Farmdale Development systems will no longer be regulated by the PSC. County sanitation districts are not under PSC jurisdiction.

PSC Oks Transfer of Two Small Franklin County Sewer Systems – page 2

The PSC stated in today's orders that the sale of the Coolbrook and Farmdale Development systems is consistent with long-standing state policy that favors consolidation and regionalization of wastewater systems. The transfers also are in the public interest, the PSC said.

Today's orders and other records in the cases are available on the PSC website, psc.ky.gov. The Coolbrook case number is 2017-00215. The Farmdale Development case number is 2017-00204.

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 and has approximately 75 employees.

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