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NEWS RELEASE

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PSC OKs Transfer of Small Franklin County Sewer Systems

Farmdale Sanitation District acquiring three systems from Ridgelea Investments

FRANKFORT, Ky. (Aug. 2, 2017) – The Kentucky Public Service Commission (PSC) has approved the sale for \$1 of the Ridgelea Investments sewer systems in Franklin County to the Farmdale Sanitation District.

The three systems serve a total of 191 customers in the Edgewood, Farmgate and Meadowbrook subdivisions in southwest Franklin County. The systems each consist of a small wastewater treatment plant and associated sewer facilities.

In an order 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.

In April, the PSC accepted an application from Ridgelea for approval of the transfer of control. The PSC in September 2016 rejected a request by Ridgelea to abandon the systems, finding that it was not in the public interest for the company to shed the three unprofitable utilities in Franklin County while retaining a profitable system in Grant County.

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 has a total of about 730 customers formerly served by three small utilities that Farmdale acquired in March and June through transactions approved by the PSC.

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 retained the services of a certified operator to run the Ridgelea systems, as well as the Evergreen, Coolbrook, and Farmdale Development systems it acquired earlier.

The Ridgelea transaction completes Farmdale Sanitation's acquisition of small wastewater systems in southwestern Franklin County.

The PSC stated in today's orders that the sale of the Ridgelea 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.

Farmdale Sanitation told the PSC that it intends to continue charging the Edgewood, Farmgate and Meadowbrook customers the current monthly rate of \$34.50 charged by Ridgelea.

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

Today's order and other records in the cases are available on the PSC website, psc.ky.gov. The case number is 2017-00153.

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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