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NEWS RELEASE

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PSC OKs Transfer of Sewer Systems in McCracken County

City-county agency takes over Joann Estates and Wilmington Chiles systems

FRANKFORT, Ky. (Nov. 20, 2018) – The Kentucky Public Service Commission (PSC) has approved the transfer of two small sewer systems in McCracken County to the Paducah-McCracken County Joint Sewer System.

In an order issued today, the PSC found that the transfer of the systems serving the Joann Estates and Wilmington Chiles subdivisions will benefit their customers by improving service and reducing their bills. The PSC also found that, as required by Kentucky law, the much larger joint sewer agency, with about 30,000 customers, has the financial resources and technical and managerial abilities to operate the two small systems.

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

Joann Estates Utilities owns the two systems, with a combined 150 or so customers, as well as a third system serving about 60 homes in the Timberland subdivision. Each of the three subdivisions is served by a collection system feeding into a small wastewater treatment plant.

The Joann Estates and Wilmington Chiles plants are both within half a mile of the joint city-county system's sewer lines, which flow to large wastewater treatment facilities. The joint sewer agency will extend sewer mains to the subdivisions, allowing the plants to be closed and decommissioned.

The Timberland system is not included in the transfer because it is three miles from the nearest city-county sewers. Extending the city-county sewers that distance would be too costly, according to filings made in the case.

Extending city-county sewers to the Joann Estates and Wilmington Chiles subdivisions will cost about \$350,000, according to the joint sewer agency. The agency said that it is seeking grant funding to offset a portion of the cost.

Joann Estates Utilities charges its customers a flat monthly fee of \$34.71. The joint sewer agency bases its fee on water usage, and the application for the transfer states that the average customer should see the monthly bill decline by more than \$7.

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The transfer of the systems follows the death of the principal owner and operator of Joann Estates Utilities. The two systems have deteriorated and, absent the transfer, would need to be replaced at a total cost of up to \$400,000, according to the application filed with the PSC.

There were no other parties to the case. The applicants did not request 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. The case number is 2018-00347.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,100 gas, water, sewer, electric and telecommunication utilities operating in Kentucky.

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