

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LEXINGTON-FAYETTE URBAN)
COUNTY GOVERNMENT FOR AN ORDER) CASE NO. 2012-00203
APPROVING A TRANSFER OF OWNERSHIP AND)
CONTROL)

ORDER

Lexington-Fayette Urban County Government ("LFUCG") has applied for an order declaring that its proposed acquisition of the facilities of Blue Sky Sewer Service Company, Inc. ("Blue Sky Sewer") does not require Commission approval, or in the alternative, for Commission approval of the transfer. Having reviewed the application and being otherwise advised, the Commission finds that:

1. Blue Sky Sewer, a Kentucky corporation organized pursuant to KRS Chapter 271B,¹ owned and operated facilities used to provide sewage collection and treatment services to approximately 137 customers in southeast Fayette County, Kentucky.²

2. In September 2000, Blue Sky Sewer entered into an agreed order with the Natural Resources and Environmental Protection Cabinet ("NREPC")³ that required Blue Sky Sewer to make certain repairs and additions to its treatment facilities and

¹ See <https://app.sos.ky.gov/ftshow/%28S%28tvahdf3i3qesr4ituuwhtrl%29%29/default.aspx?path=ftsearch&id=0115118&ct=09&cs=99999> (last visited July 18, 2012).

² *Annual Report of Blue Sky Sewer Service Company to the Public Service Commission for the Calendar Year Ended December 31, 2002* ("Annual Report") at 8. No financial and statistical report for Blue Sky Sewer's operations has been filed with the Commission since the filing of report for the calendar year ended December 31, 2002.

³ This agency has since reorganized and is now the Energy and Environmental Cabinet.

provided for civil penalties⁴ if it failed to make these repairs or meet the requirements of its Kentucky Pollution Discharge Elimination System (“KPDES”) Permit.⁵

3. On September 17, 2001, NREPC initiated an action in Franklin Circuit Court to enforce the agreed order.⁶ It asserted that Blue Sky Sewer had failed to make the required repairs and that Blue Sky Sewer’s facilities were not meeting the requirements of its KPDES permit.⁷ It requested that, in addition to the award of civil penalties, the Court require Blue Sky Sewer to cease providing sewer service or, in the alternative, the appointment of a receiver to operate Blue Sky Sewer’s facilities.

4. On June 26, 2002, Franklin Circuit Court entered summary judgment against Blue Sky Sewer.⁸ The Kentucky Court of Appeals subsequently upheld this judgment.⁹

5. On August 13, 2003, Blue Sky Sewer filed for relief under Chapter 7 of the U.S. Bankruptcy Code.¹⁰

⁴ The Agreed Order provided that Blue Sky Sewer would pay \$75 per day for each parameter of its KPDES permit in which it was not in compliance.

⁵ Andy Mead and Geoff Mulvihill, *Blue Sky Agrees to State Terms*, Lexington Herald-Leader, Sep. 12, 2000, at A1. See also *Blue Sky Sewer Co. v. Commonwealth, Natural Resources and Environmental Protection Cabinet*, No. 2002-CA-001591-MR, slip op. at 2 (Ky. Ct. App. Nov. 7, 2003).

⁶ *Natural Resources and Environmental Protection Cabinet v. Blue Sky Sewer Co.*, No. 01-CI-01262 (Franklin Cir. Ct. Ky. filed Sept. 17, 2001).

⁷ *State Taking Sewage Plant to Court*, Lexington Herald-Leader, Sep. 26, 2001, at B3.

⁸ *Natural Resources and Environmental Protection Cabinet v. Blue Sky Sewer Co.*, No. 01-CI-01262 (Franklin Cir. Ct. Ky. June 26, 2002).

⁹ *Blue Sky Sewer Service Co. v. Commonwealth, Natural Resources and Environmental Protection Cabinet*, No. 2002-CA-001591-MR (Ky. Ct. App. Nov. 7, 2003).

¹⁰ *In Re: Blue Sky Sewer Service Co.*, No. 03-52759 (Bankr. E.D.Ky. filed Aug. 13, 2003).

6. On August 20, 2003, LFUCG entered into a contract with the bankruptcy trustee who had taken possession and control of Blue Sky Sewer's assets.¹¹

7. On April 7, 2004, the Bankruptcy Trustee abandoned Blue Sky Sewer's sewage treatment and collection facilities, effectively returning control of these facilities to Blue Sky Sewer.¹²

8. On October 26, 2004, Franklin Circuit Court appointed LFUCG receiver of Blue Sky Sewer's property, including its sewer collection and treatment facilities.¹³ LFUCG has continuously operated Blue Sky Sewer's facilities since its appointment.

9. On November 1, 2008, the Kentucky Secretary of State administratively dissolved Blue Sky Sewer.¹⁴

10. On July 5, 2011, Blue Sky Sewer's designated agent for service of process resigned.¹⁵

11. On October 27, 2011, Shield Environmental Associates, Inc. ("Shield") obtained a judgment against Blue Sky Sewer in the amount of \$451,851.¹⁶ Payment of this judgment was secured by a lien and security interest on Blue Sky Sewer's personal

¹¹ Application ¶ 5. See Andy Mead, *City Takes Reins of Sewage Plant*, Lexington Herald-Leader, Aug. 26, 2003, at B1.

¹² *Id.* at ¶ 6.

¹³ *Environmental and Pub. Protection Cabinet v. Blue Sky Sewer Service Co.*, No. 01-CI-0162 (Franklin Cir. Ct. Oct. 26, 2004).

¹⁴ See <https://app.sos.ky.gov/corpscans/18/0115118-09-99999-20081101-ADS-3307211-PU.pdf> (last visited July 17, 2012).

¹⁵ See <http://apps.sos.ky.gov/ImageWebViewer/%28S%28ttv5mcyl25rtlsacwmcrgxzx%29%29/OBDBDisplayImage.aspx?id=4838133> (last visited July 17, 2012).

¹⁶ *Shield Environmental Associates, Inc. v. Blue Sky Sewer Service Co.*, No. 09-CI-05419 (Fayette Cir. Ct. Ky. Oct. 27, 2011).

property. Fayette Circuit Court directed that Blue Sky Sewer's sewage collection and treatment facilities be offered at public sale.

12. On December 5, 2011, the Fayette Circuit Court Master Commissioner sold Blue Sky Sewer's collection and treatment facilities to Shield for \$140,000.

13. On December 6, 2011, the LFUCG Council enacted Resolution 607-2011 that authorized and directed the Mayor of Lexington to execute a Certificate of Consideration, and any other documents necessary, and to accept a Deed for Blue Sky Sewer's sewage treatment facilities, and authorizing payment in the amount of \$250,000, plus usual and appropriate closing costs.¹⁷

14. On January 5, 2012, Fayette Circuit Court confirmed the sale of Blue Sky Sewer's collection and treatment facilities to Shield.¹⁸

15. On January 12, 2012, Shield conveyed Blue Sky Sewer's collection and treatment facilities to LFUCG for \$250,000.¹⁹

16. Shield's actions were part of a single coordinated transaction to transfer legal ownership and control of Blue Sky Sewer's collection and sewer facilities to LFUCG.²⁰ Shield agreed to foreclose on its mortgage and obtain a deed from the Fayette County Master Commissioner for the sole purpose of transferring Blue Sky's real estate and waste water treatment plant to LFUCG.²¹

¹⁷ Minutes of LFUCG Council Meeting at 13 (Dec. 6, 2011), available at <http://lexingtonky.gov/Modules/ShowDocument.aspx?documentid=18852>.

¹⁸ *Shield Environmental Associates, Inc. v. Blue Sky Sewer Service Co.*, No. 09-CI-05419 (Fayette Cir. Ct. Ky. Jan. 5, 2012). See also Fayette County Clerk Deed Book 3050, Page 341.

¹⁹ Fayette County Clerk Deed Book 3051, Page 229.

²⁰ Application, ¶ 11.

²¹ *Id.*, ¶ 10.

17. As part of its consent agreement with the U.S. Environmental Protection Agency, LFUCG agreed to purchase and eliminate the Blue Sky Sewer's sewage treatment facilities.²²

18. LFUCG has applied to and received approval from the Kentucky Infrastructure Authority for a grant of \$600,000 and a loan of \$1,930,000 to eliminate Blue Sky Sewer's sewage treatment facility and install a sanitary pumping station and force main.²³

19. LFUCG is an Urban County Government organized pursuant to KRS Chapter 67A.

20. As of June 30, 2011, LFUCG had total assets of 1,726,700,000 and total liabilities of \$589,907,000.²⁴

21. For the year ended June 30, 2011, LFUCG's sanitary sewer system had operating revenues of \$48,803,403, operating expenses of \$39,413,420, and non-operating revenues of (\$2,486,197).²⁵

22. As of June 30, 2011, LFUCG's Division of Water Quality had 151 employees.²⁶ This total includes 13 licensed professional engineers, 23 Class III

²² *U.S. v. Lexington-Fayette Urban County Government*, No. 5:06-cv-386 (E.D. Ky. Jan. 3, 2011). Appendix K-1 to the Consent Agreement required LFUCG to "design and construct a sanitary pumping station and force main for the express purpose of eliminating the Blue Sky Wastewater Treatment Plant." LFUCG agreed to spend at least \$1,300,000 for this project.

²³ For the project profile, see <http://wris.ky.gov/portal/CwPrjData.aspx?PNUM=SX21067007>. Minutes of KIA Board Meeting of Mar. 1, 2012 at 7, available at <http://kia.ky.gov/NR/rdonlyres/748F881A-3B11-4473-8EC1-8C7F556AA7E7/0/030112minutesexecuted.pdf>.

²⁴ Lexington-Fayette Urban County Government, *Comprehensive Annual Financial Report for the Year Ended June 30, 2011* ("LFUCG Annual Report") at 17, available at <http://www.lexingtonky.gov/Modules/ShowDocument.aspx?documentid=19465>.

²⁵ *Id.* at 45-46.

²⁶ *Id.*, Table 22.

wastewater treatment plant operators, 3 Class III wastewater collection system operators, and 6 electricians holding a minimum master electrician's license.²⁷

23. LFUCG operates a state-recognized laboratory that performs analyses on wastewater samples taken from its facilities.²⁸

24. LFUCG's system includes 81 pump stations, almost 1,400 miles of sewer line, over 28,000 manholes, and two wastewater treatment plants with a total treatment capacity of 64 million gallons per day.²⁹

25. For the year ended June 30, 2011, LFUCG's sanitary sewer system treated an average of 41 million gallons of wastewater daily.³⁰

Based upon these findings, the Commission makes the following conclusions of law:

1. Blue Sky Sewer is a utility that is subject to Commission jurisdiction.³¹
2. As an urban-county government, LFUCG is a body corporate and exercises "the constitutional and statutory rights, powers, privileges, immunities and responsibilities" of a city of the second class.³²

²⁷ Application, ¶ 12.

²⁸ *Id.*

²⁹ See <http://lexingtonky.gov/index.aspx?page=676> (last visited July 18, 2012); *LFUCG Annual Report*, Table 24.

³⁰ *LFUCG Annual Report*, Table 23.

³¹ KRS 278.010(3)(f).

³² KRS 67A.060(1). Lexington was the largest city in Fayette County at the effective date of LFUCG. It is a city of the second class. KRS 81.010(2).

3. As a “city”, LFUCG is not a utility and is not generally subject to Commission jurisdiction.³³

4. LFUCG is a “corporation”³⁴ and a “person”³⁵ for purposes of KRS Chapter 278.

5. KRS 278.020(5) provides that “[n]o person shall acquire or transfer ownership of, or control, or the right to control, any utility under the jurisdiction of the commission . . . without prior approval by the commission.” As LFUCG is a person and is acquiring ownership of Blue Sky Sewer’s sewage treatment facilities, this statute is applicable to and requires prior Commission approval of Blue Sky Sewer’s acquisition.

6. KRS 278.020(6) provides that “[n]o individual, group, syndicate, general or limited partnership, association, corporation, joint stock company, trust, or other entity (an ‘acquirer’), whether or not organized under the laws of this state, shall acquire control, either directly or indirectly, of any utility furnishing utility service in this state, without having first obtained the approval of the commission.” As LFUCG is an entity³⁶ and a person and is acquiring control of Blue Sky Sewer’s utility operations through its

³³ KRS 278.010(3); KRS 278.200; *Simpson County Water District v. City of Franklin*, 872 S.W.2d 460 (Ky.1994); *McClellan v. Louisville Water Co.*, 351 S.W.2d 197 (Ky.1961).

³⁴ See KRS 278.010(1) (providing that a corporation “includes private, quasipublic, and public corporations, and all boards, agencies, and instrumentalities thereof, associations, joint-stock companies, and business trusts”). Urban-County governments represent a consolidation of county and city governmental entities. Counties are generally considered public or quasipublic corporations. See 20 C.J.S. *Counties* § 6 (2012); 56 Am. Jur. 2d *Municipal Corporations* § 8 (2012). Cities are municipal corporations. See, e.g., *Wilson v. Central City*, 2012 WL1450136 at *2 (Ky. Apr. 26, 2012) (“a city is both a ‘municipality’ and a ‘municipal corporation’”).

³⁵ See KRS 278.010(2) (providing that a person includes “includes natural persons, partnerships, corporations, and two (2) or more persons having a joint or common interest”).

³⁶ Black’s Law Dictionary 612 (9th ed. 2009) (defining entity as “[a]n organization (such as a business or a governmental unit) that has a legal identity apart from its members or owners.”).

acquisition of Blue Sky Sewer's sewage treatment and collection facilities, this statute is applicable to and requires prior Commission approval of the transfer of those facilities.

7. KRS 278.020(6) further provides that "[a]ny acquisition of control without prior authorization [of the Commission] shall be void and of no effect."

8. In view of its financial assets, LFUCG has sufficient financial integrity to ensure the continuity of utility service.

9. LFUCG has the financial, technical, and managerial abilities to provide reasonable service to those persons that Blue Sky Sewer currently serves.

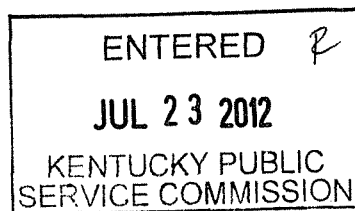
10. KRS 224A.300(1) provides that the regionalization and consolidation of water and wastewater systems should be encouraged.

11. LFUCG's acquisition of Blue Sky Sewer's sewage treatment and collection facilities is in accordance with law and for a proper purpose.

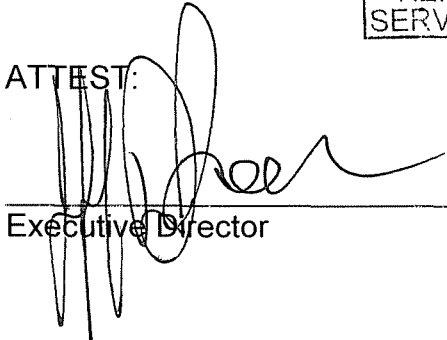
12. Upon LFUCG's acquisition of Blue Sky Sewer's sewage treatment and collection facilities, those facilities will no longer be subject to Commission jurisdiction.

IT IS THEREFORE ORDERED that the proposed transfer of ownership and control of Blue Sky Sewer's facilities to LFUCG is approved.

By the Commission



ATTEST:



Executive Director

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Managing Attorney
LFUCG
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Lexington, KENTUCKY 40507

Charles H Martin
Director
Division of Water Quality
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401 West Main St.
Suite 314
Lexington, KENTUCKY 40507

BLUE SKY SEWER SERVICE
COMPANY INCORPORATED

P.S.C. Ky. No. ².....

Cancels P.S.C. Ky. No. ¹.....
Original Sheet No. 5

BLUE SKY SEWER SERVICE CO., INC.

OF

LEXINGTON, KENTUCKY

Rates, Rules and Regulations for Furnishing
Sewer Service

AT

Blue Sky Industrial Estates and environs located

in Fayette County, Kentucky near the intersection

of KY 418 and I-75

Filed with PUBLIC SERVICE COMMISSION OF
KENTUCKY

ISSUED....., 19.....

EFFECTIVE....., 19.....

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 11 1996

PURSUANT TO 807 KAR 0011,
SECTION 9 (1)

BY: *[Signature]*
FOR THE PUBLIC SERVICE COMMISSION

ISSUED BY Blue Sky Sewer Services Co., Inc.
(Name of Utility)

BY: *[Signature]*
Richard Sutherland
President

Form for filing Rate Schedules

Blue Sky Industrial Estates
For Lexington, Fayette Co., Ky.
Community, Town or City

P.S.C. NO. 1

Original SHEET NO. 1

CANCELLING P.S.C. NO. _____

SHEET NO. _____

Blue Sky Sewer Service Co., Inc.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

**RATE
PER UNIT**

Customer Classification

Commercial Customers

\$57.19 Residential Equivalent *

\$57.19/mo.
per
residential
equivalent

* Commercial Customers are billed at the residential rate for each residential equivalent, or 12,000 gallons per month. For example, a commercial customer who used 26,000 gallons per month would be billed at a rate of 2.17 times the residential rate. (26,000 gallons divided by 12,000 gallons = 2.17 x \$57.19)

Minimum bill for any service is \$57.19 per month.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 11 1996

PURSUANT TO 807 KAR 6011
SECTION 011

BY: Richard Sutherland
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE _____

DATE EFFECTIVE _____

ISSUED BY Richard Sutherland

TITLE President

Name of Officer

Issued by authority of an Order of the Public Service Commission of Ky. 1
No. _____ dated _____

Form for filing Rate Schedules

For: Lexington, Fayette Co., Ky.
P.S.C. Ky. No. 1
First Revised Sheet No. 2
Canceling P.S.C. Ky. No. 1
Original Sheet No. 2

Blue Sky Sewer Service Co. Inc.

RULES AND REGULATIONS

This schedule of Rules and Regulations governs the furnishing of sewage service by Blue Sky Sewer Service Co., Inc., hereinafter referred to as the Utility, and applies to all service received from the Utility. No employee or individual director of the Utility is permitted to make an exception to these Rates, Rules and regulations. The Utility is further subject to all Rules and Regulations of the Public Service Commission even though not contained herein. (T) (T)

REVISIONS

These Rules and Regulations may be revised, amended, supplemented or otherwise changed from time to time subject to approval of the Public Service Commission, and shall have the same force as the Present rules and regulations.

SERVICE AREA

The Utility furnishes sewage service to Blue Sky Industrial Estates and environs in Fayette County, Kentucky. (T)

AVAILABILITY

Sewer service is available to any domestic, commercial or industrial consumer within the Utility's area on a limited capacity basis with respect of the volume of effluent that can be lawfully treated by the Utility. If applicant requires greater capacity than available the utility will negotiate with applicant to upgrade the capacity of the utility.

CONNECTION CHARGES

A. Residential Connections:

Single family, \$750.00 each; Duplex Residences, \$500.00 each side; Apartments, the greater of \$200.00 each apartment or \$2,000.00 per gross acre involved.

B. Industrial and Commercial:

To be negotiated on the basis of land use and impact upon plant capacity. A guideline for this charge is \$1.60 per GPD of treatment as limited by agreement but never less than \$800.00 per acre or fraction thereof. This formula allows 500 GPD or 1.25 times a single family residential equivalent. Uses of more than 500 GPD are considered to be exceptional and must have special approval of the Public Service Commission of Kentucky to connect to the system.

SEP 27 1997

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan D. Bru

SECRETARY OF THE COMMISSION

OF KENTUCKY

EFFECTIVE

DATE OF ISSUE August 25, 1997
Month Day Year

DATE EFFECTIVE September 25, 1997
Month Day Year

ISSUED BY [Signature] President
Name of Officer Title

P.O. Box 24255, Lexington, Ky. 40524
Address

Form for filing Rate Schedules

For: Lexington, Fayette Co., Ky.

P.S.C. Ky. No. 1

First Revised Sheet No. 3

Blue Sky Sewer Service Co. Inc.

Canceling P.S.C. Ky. No. 1

Original Sheet No. 3

RULES AND REGULATIONS

SEWER FAILURE

The Utility is responsible for sewer failure only when in control of the Utility's employees. No consumer is paid damages for equipment unless such damages are specifically found to be caused by an act of negligence on the part of the Utility or its employees.

PROTECTION BY CONSUMER

Consumer shall protect the equipment of the Utility on its premises and shall not interfere with Utility's property or permit interference except by duly authorized representatives of the Utility.

NOTICE OF TROUBLE

Consumer shall give immediate notice to the Utility of any irregularities or unsatisfactory service and of any defects known to consumer and shall provide such notice in writing if requested by the Utility.

MAINTENANCE

The Utility may at any time deemed necessary, suspend sewer service to any consumer or consumers for the purpose of making repairs, changes or improvements upon any part of its system. The Utility shall give reasonable notice of such suspension of service to the consumer.

The Utility shall be responsible for the maintenance of that portion of the service line installed by the (T) Utility and the consumer shall be responsible for the maintenance of that portion thereof installed by the consumer.

LINE RELOCATIONS

When necessary to move or relocate facilities, the cost will be paid by the party or parties requesting such relocation.

BILLING, COLLECTION, PENALTIES

Bills for sewage service will be dated the twenty-fifth of each month for that month's service and will (C) be mailed by the thirtieth of that month. Bills shall be payable by the twentieth day of the following (C) month and a 10% late payment penalty charge will be applicable after the due date of any account. If (C) the consumer provides written notice to the Utility by the twentieth day of any month that a unit (C) which is billed separately in an industrial or commercial facility has been and will continue to be (C) unoccupied for the calendar month in which the notice is sent and provides such reasonable (C) documentation as the utility may from time to time require, the Utility shall not bill the consumer for (C) service for that unit for that month. (C)

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

DATE OF ISSUE August 25, 1997
Month Day Year

DATE EFFECTIVE September 25, 1997
Month Day Year

SEP 25 1997

ISSUED BY [Signature]
Name of Officer

President P.O. Box 24255, Lexington, Ky. 40524
PURSUANT TO 807 KAR 5011 Address

BY: Stephan Bue
SECRETARY OF THE COMMISSION

SECTION 9 (1)

Form for filing Rate Schedules

For: Lexington, Fayette Co., Ky.

P.S.C. Ky. No. 1

First Revised Sheet No. 4

Canceling P.S.C. Ky. No. 1

Original Sheet No. 4

Blue Sky Sewer Service Co. Inc.

RULES AND REGULATIONS

DISCONTINUANCE OF SERVICE BY UTILITY/RECONNECTION FEE

The utility may refuse or discontinue service to an applicant or customer, after proper notice, for failure to comply with its rules and regulations or state and municipal rules and regulations, when a customer or applicant refuses or neglects to provide reasonable access to the premises, for fraudulent or illegal use of service, or for nonpayment of bills. If discontinuance is for nonpayment of bills, the customer shall be given at least forty-eight (48) hours written notice, separate from the original bill, and cut-off shall be (T) effected not less than twenty (20) days after the mailing date of the original bill unless, prior to discontinuance, a residential customer presents to the Utility a written certificate, signed by a physician, registered nurse, or public health officer, that such a discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may not be effected until the affected resident can make other living arrangements or until no less than ten (10) days elapse from the date of the Utility's notification. When a dangerous condition is found to exist on the customer's or applicant's premises, the service shall be cut off without notice or refused. Upon correction of any condition that has resulted in discontinuance, service shall be restored upon payment by the customer of a reconnect fee in the amount of \$200.00.

PERSONAL APPEARANCE TO COLLECT BILL

In lieu of discontinuance, the Utility may authorize agents or employees to personally collect delinquent accounts from the customer. An additional fee of \$20.00 may be added to a delinquent account to pay for a single visit in the collection of such a delinquency.

TERMINATION OF SERVICE

Customers who have fulfilled their contract terms and wish to discontinue service must give at least five (5) days written notice, or in person to that effect, unless contract specified otherwise. Notice to (T) discontinue service prior to expiration of contract term will not relieve customer from any minimum or guaranteed payment under any contract or rate.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 25 1997

PURSUANT TO 807 KAR 5.011.

DATE OF ISSUE August 25, 1997
Month Day Year

SECTION 11 EFFECTIVE September 25, 1997
Month Day Year

BY: Stephan B. Bell

SECRETARY OF THE COMMISSION

ISSUED BY [Signature]
Name of Officer

President
Title

P.O. Box 24255, Lexington, Ky. 40524
Address

FOR Fayette County, Kentucky

P.S.C. Ky. No. 1

1st Revised Sheet No. 5

Cancelling P.S.C. Ky. No. 1

Original Sheet No. 5

Blue Sky Sewer Service Co., Inc.

RULES AND REGULATIONS

SUBSTANCES NOT TO BE DISCHARGED INTO SEWERS

The sewer plant is limited to the treatment of domestic waste. No substances shall be placed or discharged into the sanitary sewer system which will create a combustible, gaseous, explosive or inflammable condition in such sewer system nor shall any substances or objects be placed or discharged into the sewer system which will not dissolve and which will thus cause an obstruction and clogging within the system. No petroleum products shall be placed or discharged into the sewer system.

No storm water or surface water drain shall be connected with the sanitary sewer system nor shall any storm or surface water be otherwise introduced into the sewer system. Prohibited substances are more fully described in the "Industrial/Commercial User Program". Copies of said are on file at T.M.Regan, Inc. 377 Waller Avenue, Lexington, KY and Kentucky Division of Water, 14 Reilly Road, Frankfort, KY.

CONSENT FOR WATER SUPPLIER TO RELEASE INFORMATION

A customer's request for sewer service shall constitute that customer's full and knowing consent to the release of information regarding the customer's water usage by the customer's water supplier to Blue Sky Sewer Service Co., Inc.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 11 1996

PURSUANT TO KRS KAR 501.1,
SECTION 9(1)

BY Carole M. Hall
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE

Month Day Year

DATE EFFECTIVE

Month Day Year

ISSUED BY

[Signature]

President

P.O. Box 24255
Lexington, KY 40524

Name of Officer

Title

Address

Issued by authority of an Order of the Public Service Commission in

Form for filing Rate Schedules

For: Lexington, Fayette Co., Ky.

P.S.C. Ky. No. 1

First Revised Sheet No. _____

Blue Sky Sewer Service Co. Inc.

Canceling P.S.C. Ky. No. _____

Original Sheet No. 6

RULES AND REGULATIONS

INDUSTRIAL/COMMERCIAL USER POLICY

1.0 PURPOSE

This policy sets forth uniform requirements for existing and future Users which discharge directly or indirectly into the wastewater collection and treatment system (the System) of Blue Sky Sewer Service Co., Inc. (the Utility). The various requirements of this Policy are designed to ensure that Users take no action which would prevent the Utility from complying with the requirements imposed on it by the Commonwealth of Kentucky's Division of Water of the Natural Resources and Environmental Protection Cabinet (the DOW) pursuant to Permit No.: KY0027286, Authorization to Discharge Under the Kentucky Pollutant Discharge Elimination System, which became effective July 1, 1997 and remains in effect until June 30, 2002 (the Permit).

2.0 POLICY

This policy regulates all direct and indirect Users of the System through approved Operating Agreements (Agreements) between Users and the Utility, as such Agreements may from time be amended.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

Any analyses required under this policy or any Agreement shall be arranged by the User and shall be performed for the User, at the User's sole expense, by a laboratory approved by the Utility.

SEP 05 1998

This policy shall be administered and enforced for the Utility by a registered professional engineer experienced in wastewater and sewer regulation and management.

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan O. Bee
SECRETARY OF THE COMMISSION

3.0 SEWER USE

Within 30 days from the approval of this Tariff by the Kentucky Public Service Commission (the Commission), each existing User shall submit a User Information Form to the Utility. Within 30 days of receipt of the User Information Form by the Utility, the Utility and the User shall enter an Agreement incorporating the requirements of this policy. Users failing to enter such an Agreement within 60 days of Tariff approval shall be subject to termination of service and disconnection from the System pursuant to this Tariff and the administrative regulations of the Commission for violation of the Utility's rules.

In addition to termination of service, a User which violates the provisions of this policy or its Agreement shall be liable to the Utility for any loss, cost, or damage caused to the Utility's System by the violation which may at the Utility's discretion be included in the User's bill.

DATE OF ISSUE 8-6-98
Month Day Year

DATE EFFECTIVE 9-5-98
Month Day Year

ISSUED BY [Signature] President
Name of Officer Title

P.O. Box 24255, Lexington, Ky. 40524
Address

Form for filing Rate Schedules

For: Lexington, Fayette Co., Ky.

P.S.C. Ky. No. 1

First Revised Sheet No. _____

Canceling P.S.C. Ky. No. _____

Original Sheet No. 7

Blue Sky Sewer Service Co. Inc.

RULES AND REGULATIONS

No prospective User of the System shall make any connection or use any existing connection to the system until the User has submitted a User Information Form to the Utility and entered an Agreement with the Utility or agreed in writing to become bound by the provisions of an existing Agreement covering the connection the prospective User intends to use.

Users who discharge nothing other than domestic or "restroom wastes" into the system shall complete the applicable pages of the User Information Form and their Agreements with the Utility shall be limited to undertakings that they will not in the future place, deposit, or suffer to be deposited into the System any wastes other than domestic or "restroom wastes."

Users who discharge matter into the System other than or in addition to domestic or "restroom wastes" shall complete the entire User Information Form and shall enter an agreement consistent with this policy which is tailored to the discharge activity of the individual User and which will enable the Utility to comply with its Permit.

No User shall place, deposit, or permit to be deposited into the System any wastewater containing or having:

- any storm water, ground water, roof run-off, subsurface drainage, or cooling water.
- a temperature higher than 104 degrees F.
- any gasoline, benzene, naptha, fuel oil, or other flammable or explosive liquids, solids, or gases; and in no case any pollutant with a closed cup flashpoint of less than 140 degrees F., or which causes the System to exceed 10 percent of the lower explosive limit at any point.
- any garbage that has not been ground by suitable garbage grinders.
- any ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastic, wood, manure, or any other solids or viscous substances capable of causing obstructions or other interferences with proper operation of the System.
- toxic or poisonous substances in sufficient quantity to injure or interfere with any wastewater treatment process, to constitute hazards to humans or animals, or to create any hazard in waters which receive treated effluent from the System.

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 BY Stephan Bell SECRETARY OF THE COMMISSION

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- noxious or malodorous gases or substances capable of creating a public nuisance including pollutants which result in the presence of toxic gases, vapors, or fumes.
- solids of a character or quantity that require special and unusual attention for their handling.
- any substance which may effect System affluent and cause the Utility to violate the requirements of its Permit.
- any substance which would cause the System to fail to comply with sludge use, recycling, or disposal guidelines or regulations issued pursuant to the federal laws governing air or water quality, the Toxic Substances Act, or any applicable enactment of the Commonwealth of Kentucky.
- color which is not removed in the treatment process.
- medical or infectious wastes, radioactive waste or isotopes, or any pollutant, including BOD pollutants, released at a flow rate or concentration which would interfere with operation of the System.

The Utility may, at any reasonable time, inspect the interior or exterior of any building connected or to be connected to the System, inspect and copy appropriate records, and inspect and test sampling equipment. The Utility may, at any reasonable time, perform smoke tests of any facility connecting a building to the System.

4.0 USER MANAGEMENT REQUIREMENTS

4.1 Change in Discharge

Users shall at all times comply with Agreements. No facility expansion, production increase, or process modification which will cause a new, different, or increased discharge into the System may be implemented without the advance approval of the Utility in the form of a written amendment to the User's existing Agreement. Requests for modification of an Agreement must be filed with the Utility not less than 30 days prior to the proposed implementation by the User. The Utility will not approve any facility expansion, production increase, or process modification which will cause a discharge into the System which would cause the Utility to be in violation of its Permit.

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4.2 Non-Compliance Notification

Immediately upon learning it is not complying with its Agreement or that, in the future, an unavoidable event will prevent it from complying with its Agreement, the User shall immediately notify the Utility of:

- the nature and cause of the non-complying discharge;
- the time when the non-complying discharge began or is expected to begin and its duration; and
- the steps taken by the User to achieve compliance and prevent a recurrence of the non-complying discharge.

If the User learns of its failure to comply as a result of sampling and analysis, it shall repeat the sampling and analysis within 24 hours of learning of its failure to comply and immediately provide the results of the second sampling and analysis to the Utility.

4.3 Termination of Service

After a reasonable attempt to obtain compliance, the Utility may terminate service pursuant to 807 KAR 5:006, Section 13(5) for:

- Discharges not permitted by the User's Agreement or in excess of those permitted, upon ten days written termination notice pursuant to 807 KAR 5:006, Section 14(a);
- Falsification of reports, upon ten days written termination notice pursuant to 807 KAR 5:006, Section 14(a);
- Unapproved modification of sampling equipment or methods, upon ten days written termination notice pursuant to 807 KAR 5:006, Section 14(a);
- Refusal to allow the Utility timely access to the User's premises, upon ten days written termination notice pursuant to 807 KAR 5:006, Section 14(c);
- Any discharge which presents a hazard to public health and safety, the welfare of the environment, or the System, without advance notice pursuant to 807 KAR 5:006, Section 14(d) and (e).

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5.0 OPERATING AGREEMENTS

5.1 Transferability

No Agreement may be transferred without the prior written approval of the Utility, which approval may be withheld in the sole discretion of the Utility. No approval will be granted by the Utility unless the transferee has agreed in writing to be bound by the terms of the transferred Agreement.

5.2 Modification

Agreements may include provisions allowing the Utility, upon 30 days notice to Users and to the Commission, to impose such restrictions, conditions, prohibitions, or monitoring requirements upon Users as may be required of the Utility by DOW as a condition for maintaining or renewing its Permit.

6.0 MONITORING AND REPORTING

6.1 Representative Samples

Samples shall be representative of the volume and nature of the monitored discharge.

6.2 Reporting

Unless otherwise provided in an applicable Agreement, User monitoring reports must be submitted to the Utility by the 15th of each month for the preceding month and shall be accompanied by a Chain-of-Custody form for each sample taken, and shall report the date, time, and location of each sample taken, name and affiliation of person taking the sample, name of laboratory and analytical methods used, results of the analyses performed. Discharge flow rates at the time of sampling or total monthly usage shall also be reported.

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6.3 Integrity of Samples

Samples shall be collected, handled, and preserved according to methods approved by the U.S. Environmental Protection Agency and shall be analyzed by a laboratory, approved by the Utility, according to methods contained in Title 40, Code of Federal Regulations, Part 136, or otherwise approved by the E.P.A. (E.P.A approved procedures).

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6.4 Chain of Custody

Sample containers shall be labeled at the time of collection and the following information shall be affixed to the label with waterproof ink: sample number, name of collector, and the date, time, and place of collection. The User shall maintain a field log with all information required for the label and the name of the user, location of sampling point, and type of sample. A Chain-of-Custody form containing all information recorded in the field log plus the signature of all persons who have had custody of the sample and the dates of possession shall accompany each sample which is provided to the laboratory.

6.5 Record Retention

Users shall maintain records of all monitoring information, including all calibration and maintenance records and all original chart recordings for continuous monitoring instruments, and copies of all reports required by this policy, for at least three years from creation of the record.

6.6 Definitions

- Composite Sample when performed automatically by mechanical instrument shall mean a sample that is collected over time, formed either by continuous sampling or by mixing discrete samples. The sample may be either a time composite sample (composed of discrete sample aliquots collected in one container at constant time intervals providing representative samples irrespective of stream flow) or a flow proportional sample (collected either as a constant sample volume at time intervals proportional to stream flow, or collected by increasing the volume of each aliquot as the flow increases while maintaining a constant time interval between aliquots). Composite samples taken manually shall be comprised of no fewer than four samples of equal volume collected over an eight hour period at intervals proportionate to discharge flow, or a sample portion collected continuously over a 24 hour period at a rate proportional to the discharge flow. Methods for composite sampling must be approved in advance by the Utility.

- Biochemical Oxygen Demand (BOD or BOD-5) shall mean the measure of decomposable organic matter in wastewater as represented by the oxygen used over a period of five days at 20 degrees C as determined by E.P.A. approved procedures.

- Total Suspended Solids (TSS) shall mean the insoluble solid matter suspended in wastewater that is separable by laboratory filtration according to E.P.A. approved procedures.

- Oil and Grease (Total) shall mean all vegetable and animal matter, hydrocarbons, waxes, oils, gasoline, heavy fuel, or lubricating oils as determined according to E.P.A. approved procedures.

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- Daily Maximum shall mean the maximum allowable discharge of a pollutant during a calendar day. Where daily maximum limitations are expressed in units of mass, the daily discharge is the total mass discharged over the course of the day. Where daily maximum limitations are expressed in terms of concentration, the daily discharge is the arithmetic average measurement of the pollutant concentration derived from all measurements taken that day.

- Grab Sample shall mean an individual sample collected in less than 15 minutes, without regard for flow or time.

- Instantaneous Maximum Concentration shall mean the maximum concentration allowed in any single grab sample.

- Cooling Water, Uncontaminated, shall mean water used for cooling purposes only which has no direct contact with any raw material, intermediate, or final product and which does not contain a level of contaminants detectably higher than that of the intake water.

- Cooling Water, Contaminated, shall mean water used for cooling purposes only which may become contaminated either through the use of water treatment chemicals used as corrosion inhibitors or biocides, or by direct contact with process materials or wastewater.

- Monthly Average shall mean the arithmetic mean of the values for effluent samples collected during a calendar month or specified 30 day period.

- Weekly Average shall mean the arithmetic mean of the values for effluent samples collected over a period of seven consecutive days.

- Bi-Weekly shall mean once every other week.

- Bi-Monthly shall mean once every other month.

- Quarterly shall mean once every three months.

- By-Pass shall mean the intentional diversion of wastes from any portion of the treatment facility.

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7.0 DISCHARGE LIMITS

No discharge into the Utility's system may exceed the following limits:

DISCHARGE LIMITATIONS

PARAMETER	UNIT	24 HOUR MAXIMUM CONCENTRATION (mg/L)
Flow	GPD	Report
Arsenic, total	mg/L	0.05
Cadmium, total	mg/L	0.06
Chromium, total	mg/L	0.07
Chromium, hexavalent	mg/L	0.02
Copper, total	mg/L	0.65
Cyanide, total	mg/L	0.07
Amenable Cyanide	mg/L	0.04
Iron, total	mg/L	0.3
Lead, total	mg/L	0.12
Mercury, total	mg/L	0.006
Nickel, total	mg/L	0.6
Silver, total	mg/L	0.10
Zinc, total	mg/L	0.20
Barium	mg/L	1.0
Selenium	mg/L	0.05
Magnesium	mg/L	Report
Manganese	mg/L	0.05
Sulfate	mg/L	70
Sulfide	mg/L	1.5
Chloride	mg/L	100
Fluoride	mg/L	1.5
Ammonia Nitrogen	mg/L	20
Phenols	mg/L	0.1
PCBs	mg/L	0.0
TTO	mg/L	1.1
Boron	mg/L	1.0

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pH, S.U.	Std.	6-9
Oil/Grease, total	mg/L	100
Hydro. Oil/Grease	mg/L	25
BOD-5	mg/L	225
Total Suspended Solids	mg/L	225
Total Dissolved Solids	mg/L	225
Color	ADMI	300

These discharge limits are based on local, state, and Federal prohibitions and limitations on wastewater discharges and may be modified to comply with State and Federal Standards which become applicable to the Utility.

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8.0 USER INFORMATION FORM

As set forth in section 3.0 of the Industrial/Commercial User Policy, the following form must be completed and submitted to the Utility by all current users within 30 days of the approval of this Tariff by the Commission and prior to connection to the system by prospective Users

USER INFORMATION FORM

NOTE: Please read all attached instructions prior to completing this application.

1.1 Facility Name: _____

Operator Name: _____

Is the operator identified the owner of the facility?

Yes () No () If no, provide the name and address of the operator and submit a copy of the contract or other documents indicating the operator's scope of responsibility for the facility.

1.2 Facility Address:

Street: _____

City: _____ State: _____ Zip: _____

1.3 Business Mailing Address:

Street: _____

City: _____ State: _____ Zip: _____

1.4 Designated Signatory Authority of the Facility:

(Attach similar information for each authorized representative)

Name: _____

Title: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone Number: _____

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1.5 Designated Facility Contact:

Name: _____

Title: _____

Phone Number: _____

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2.0 BUSINESS ACTIVITY:

2.1 If your facility employs or will employ processes in any of the industrial categories or business activities listed below (regardless of whether they generate wastewater, waste sludge, or hazardous wastes), place a check beside the category of business activity (check all that apply).

INDUSTRIAL CATEGORIES*

- | | | | |
|--------------------------|------------------------------------|--------------------------|--|
| <input type="checkbox"/> | Aluminum Forming | <input type="checkbox"/> | Asbestos Manufacturing |
| <input type="checkbox"/> | Battery Manufacturing | <input type="checkbox"/> | Can Making |
| <input type="checkbox"/> | Coal Mining | <input type="checkbox"/> | Coil Coating |
| <input type="checkbox"/> | Copper Forming | <input type="checkbox"/> | Electric and Electronic Components Manufacture |
| <input type="checkbox"/> | Electroplating | <input type="checkbox"/> | Feedlots |
| <input type="checkbox"/> | Fertilizer Manufacturing | <input type="checkbox"/> | Foundries (Metal Molding and Casting) |
| <input type="checkbox"/> | Glass Manufacturing | <input type="checkbox"/> | Grain Mills |
| <input type="checkbox"/> | Inorganic Chemicals | <input type="checkbox"/> | Iron and Steel |
| <input type="checkbox"/> | Leather Tanning and Finishing | <input type="checkbox"/> | Metal Finishing |
| <input type="checkbox"/> | Nonferrous Metal Forming | <input type="checkbox"/> | Nonferrous Metals Manufacturing |
| <input type="checkbox"/> | Organic Chemicals Manufacture | <input type="checkbox"/> | Paint and Ink Formulating |
| <input type="checkbox"/> | Paving and Roofing Manufacture | <input type="checkbox"/> | Pesticides Manufacturing |
| <input type="checkbox"/> | Petroleum Refining | <input type="checkbox"/> | Pharmaceutical |
| <input type="checkbox"/> | Plastic, Synthetic Materials Mfgr. | <input type="checkbox"/> | Plastics Processing Manufacturing |
| <input type="checkbox"/> | Porcelain Enamel | <input type="checkbox"/> | Pulp, Paper and Fiberboard Manufacture |
| <input type="checkbox"/> | Rubber | <input type="checkbox"/> | Soap and Detergent Manufacturing |
| <input type="checkbox"/> | Steam Electric | <input type="checkbox"/> | Sugar Processing |
| <input type="checkbox"/> | Textile Mills | <input type="checkbox"/> | Timber Products |

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* A facility whose processes are within these business areas may be a "categorical user" and subject to Environmental Protection Agency (EPA) categorical pretreatment standards.

2.2 Give a brief description of all operations at this facility including primary products or services (attach additional sheets if necessary):

2.3 Indicate applicable Standard Industrial Classification (SIC) for all processes. (If more than one applies, list in descending order of importance):

a. _____ b. _____ c. _____ d. _____ e. _____

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2.4 Product Volume:

Product (Brandname) (levels with others and no u.l.)	Past Calendar Year		Estimate This Calendar Year	
	Amounts per Day		Amounts per Day	
	(Daily Units)		(Daily Units)	
	Average	Maximum	Average	Maximum
_____	_____	_____	_____	_____

3.0 WATER SUPPLY:

3.1 Water Resources: (check as many as are applicable)

- () Private Well () Surface Water
 () Kentucky-American Water _____
 () Other (Specify): _____

3.2 Name on Water Bill: _____
Street: _____ City: _____ State: _____ Zip: _____

3.3 Water Service Account Number: _____

3.4 List Average Water Use on Premises: (New facilities may estimate)

TYPE	AVERAGE WATER USAGE (GPD)	ESTIMATE/MEASURED
Contact Cooling Water	_____	_____
Non-Contact Cooling Water	_____	_____
Boiler Feed	_____	_____
Process	_____	_____
Sanitary	_____	_____
Air Pollution Control	_____	_____
Contained in Product	_____	_____
Plant and Equipment Washdown	_____	_____
Irrigation and Lawn Watering	_____	_____
Other	_____	_____
Total:	_____	_____

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4.0 SEWER INFORMATION:

4.1 For an Existing Business:

Is the building presently connected to the Blue Sky Sewer Service, Inc. sanitary sewer system?

- () Yes: Sanitary sewer account number _____
- () No: Have you applied for a sanitary sewer hookup? () Yes () No

For a New Business:

Have you applied for a building permit if a new facility will be constructed? () Yes () No

Will You be connected to the Blue Sky Sewer Service sewer system? () Yes () No

4.2 List size, descriptive location, and flow of each facility sewer which connects to the sewer system. (If more than three, attach additional information on another sheet.)

Sewer Size	Descriptive Location of Sewer Connection or Discharge Point	Average Flow (GPD)
_____	_____	_____
_____	_____	_____
_____	_____	_____

5.0 WASTEWATER DISCHARGE INFORMATION:

5.1 Does (or will) this facility discharge any wastewater other than from restrooms to the sewer system?

- () Yes If the answer to this question is "Yes", complete the remainder of this application.
- () No If the answer to this question is "No", skip to Section 9.

5.2 Provide the following information on wastewater flow rate: (New facilities may estimate)

M _____ T _____ W _____ TH _____ F _____ SAT _____

Hours/Day Discharge (e.g., 8 hours/day)

M _____ T _____ W _____ TH _____ F _____ SAT _____

Hours of Discharge (e.g., 9 a.m. to 5 p.m.)

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Peak Hourly Flow Rate (GPD) _____
Annual Daily Average (GPD) _____

Maximum Daily Flow Rate (GPD) _____

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5.3 If batch discharges occur or will occur, indicate: (New facilities may estimate)
Number of batch discharges, _____ per day
Average discharge per batch, _____ (GPD)
Time of batch discharges, _____ (days of week) at _____ (hours of day)
Flow Rate, _____ gallons/minute Percent of total discharge, _____ %

5.4 Schematic Flow Diagram - For each major activity in which wastewater is or will be generated, draw a diagram of the flow of material, products, water, and wastewater from the start of the activity to its completion, showing all unit processes. Indicate which processes use water and which generate wastestreams. Include the average daily volume and maximum daily volume of each wastestream (new facilities may estimate). If estimates are used for flow data, this must be indicated. Number each unit process having wastewater discharges to the sewer. Use these numbers when showing the unit processes in the building layout in Section 8. This drawing must be certified by a state Registered Professional Engineer.

Facilities that checked activities in question 2.1 of Section 2 are considered Categorical Industrial Users and should skip to Section 5.6.

5.5 For Non-categorical Users Only: List average wastewater discharge, maximum discharge, and type of discharge (batch, continuous or both), for each plant process. Include the reference number from the process schematic that corresponds to each process. (New facilities should provide estimates for each discharge.)

No.	Process Description	Average Flow (GPD)	Maximum Flow (GPD)	Type of Discharge (batch, Contin., None)
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Answer questions 5.6 and 5.7 only if you are subject to categorical pretreatment standards

5.6 For Categorical Users: Provide the wastewater discharge flows for each of your proposed processes. Include the reference number from the process schematic that corresponds to each process. (New facilities should provide estimates for each discharge.)

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No.	Regulated Process	Average Flow (GPD)	Maximum Flow (GPD)	Type of Discharge (batch, Contin., None)
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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No.	Dilution	Average Flow (GPD)	Maximum Flow (GPD)	Type of Discharge (batch, Contin., None)
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

5.7 For Categorical Users subject to Total Toxic Organic (TTO) Requirements: Provide the following TTO information.

Does (or will) this facility use any of the toxic organics that are listed under the TTO standard of the applicable categorical pretreatment standards published by the EPA?

() Yes () No

Has the baseline monitoring report (BMR) been submitted which contains the TTO information?

() Yes () No

Has a toxic organic management plan (TOMP) been developed?

() Yes, (Please attach a copy) () No

5.8 Do you have, or plan to have, automatic sampling equipment or continuous wastewater flow metering equipment at this facility?

Current: Flow Metering () Yes () No

Sampling Equipment () Yes () No

Planned: Flow Metering () Yes () No

Sampling Equipment () Yes () No

If so, please indicate the present or future location of this equipment on the sewer schematic and describe the equipment below:

5.9 Are any process changes or expansions planned during the next three years that could alter wastewater volumes or characteristics? Consider production processes as well as air or water pollution treatment processes that may affect the discharge.

() Yes () No, (skip question 5.10)

5.10 Briefly describe these changes and their effects on the wastewater volume and characteristics: (Attach additional sheets if needed.)

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DATE OF ISSUE 8-6-98
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PURSUANT TO 807 KAR 5.011, SECTION 9(1)

By: Shawn Bui

ISSUED BY [Signature]
Name of Officer

President
Title

P.O. Box 24255, Lexington, Ky 40524
Address

SECRETARY OF THE COMMISSION

Form for filing Rate Schedules

For: Lexington, Fayette Co., Ky.

P.S.C. Ky. No. 1

First Revised Sheet No. _____

Canceling P.S.C. Ky. No. _____

Original Sheet No. 21

Blue Sky Sewer Service Co. Inc.

RULES AND REGULATIONS

6.0 CHARACTERISTICS OF DISCHARGE

All current industrial/commercial users are required to submit monitoring data on all pollutants that are regulated specific to each process. Use the table at the end of this section to report the analysis of the analytical results. Do Not Leave Blanks. For all other (non-regulated) pollutants, indicate whether the pollutant is known to be present (P), suspected to be present (S), or known not to be present (O), by placing the appropriate letter in the column for average reported values. Indicate on either the top of each table, or on a separate sheet, if necessary, the sample location and type of analysis used. Be sure methods conform to 40 CFR Part 136; if they do not, indicate what method was used. New dischargers should use the table to indicate what pollutants will be present or are suspected to be present in proposed wastestreams by placing a P (expected to be present), S (may be present), or O (will not be present) under the average reported values.

7.0 TREATMENT

7.1 Is any form of wastewater treatment (see list below) practiced at this facility?
 Yes No

7.2 Is any form of wastewater treatment (or change to an existing wastewater treatment) planned for this facility within the next three years?
 Yes No

7.3 Treatment devices or processes used or proposed for treating wastewater or sludge (check as many as appropriate).

- | | |
|--|--|
| <input type="checkbox"/> Air Flotation | <input type="checkbox"/> Centrifuge |
| <input type="checkbox"/> Chemical Precipitation | <input type="checkbox"/> Chlorination |
| <input type="checkbox"/> Cyclone | <input type="checkbox"/> Filtration |
| <input type="checkbox"/> Flow Equalization | <input type="checkbox"/> Grease or Oil Separation, type: _____ |
| <input type="checkbox"/> Grease Trap | <input type="checkbox"/> Grinding Filter |
| <input type="checkbox"/> Grit Removal | <input type="checkbox"/> Ion Exchange |
| <input type="checkbox"/> Neutralization, pH correction | <input type="checkbox"/> Ozonation |
| <input type="checkbox"/> Reverse Osmosis | <input type="checkbox"/> Screen |
| <input type="checkbox"/> Sedimentation | <input type="checkbox"/> Septic Tank |
| <input type="checkbox"/> Solvent Separation | <input type="checkbox"/> Spill Protection |
| <input type="checkbox"/> Sump | <input type="checkbox"/> Biological Treatment, type: _____ |
| <input type="checkbox"/> Rainwater Diversion or Storage | <input type="checkbox"/> Other Chemical Treatment, type: _____ |
| <input type="checkbox"/> Other Physical Treatment, type: _____ | <input type="checkbox"/> Other, type: _____ |

PUBLIC SERVICE COMMISSION
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EFFECTIVE

SEP 05 1998

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan O. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE 8-6-98
Month Day Year

DATE EFFECTIVE 9-5-98
Month Day Year

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Name of Officer

President
Title

P.O. Box 24255, Lexington, Ky. 40524
Address

Form for filing Rate Schedules

For: Lexington, Fayette Co., Ky.

P.S.C. Ky. No. 1

First Revised Sheet No. _____

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Original Sheet No. 22

Blue Sky Sewer Service Co. Inc.

RULES AND REGULATIONS

7.4 Describe the pollutant loadings, flow rates, design capacity, physical size, and operating procedures of each treatment facility checked above.

7.5 Attach a process flow diagram for each existing treatment system. Include process equipment, by-products, by-product disposal method, waste and by-product volumes, and design and operating conditions.

7.6 Describe any changes in treatment or disposal methods planned or under construction for the waste water discharge to the sanitary sewer. Please include estimated completion dates.

7.7 Do you have a treatment operator? () Yes () No

(if Yes,) Name: _____

Title: _____ Phone: _____

Full time: _____ (specify hours) Part time: _____ (specify hours)

7.8 Do you have a manual on the correct operation of your treatment equipment?

() Yes () No

7.9 Do you have a written maintenance schedule for your treatment equipment?

() Yes () No

8.0 FACILITY OPERATIONAL CHARACTERISTICS:

8.1 Shift Information:

Work Days	()	()	()	()	()	()	()
	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Sun.

Shifts per work day	_____	_____	_____	_____	_____	_____	_____
---------------------	-------	-------	-------	-------	-------	-------	-------

Empl's 1st per shift	_____	_____	_____	_____	_____	_____	_____
2nd	_____	_____	_____	_____	_____	_____	_____
3rd	_____	_____	_____	_____	_____	_____	_____

Shift 1st start and end times	_____	_____	_____	_____	_____	_____	_____
2nd	_____	_____	_____	_____	_____	_____	_____
3rd	_____	_____	_____	_____	_____	_____	_____

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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PURSUANT TO 807 KAR 5.011, SECTION 9(1)

BY: Stephan O. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE 8-6-98
Month Day Year

DATE EFFECTIVE 9-5-98
Month Day Year

ISSUED BY: [Signature]
Name of Officer

President
Title

P.O. Box 24255, Lexington, Ky. 40524
Address

Form for filing Rate Schedules

For: Lexington, Fayette Co., Ky.

P.S.C. Ky. No. 1

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Canceling P.S.C. Ky. No. _____

Original Sheet No. 23

Blue Sky Sewer Service Co. Inc.

RULES AND REGULATIONS

8.2 Indicate whether the business activity is:

() Continuous through the year, or

() Seasonal - Circle the months of the year which the business activity occurs:

J F M A M J J A S O N D

Comments:

8.3 Indicate whether the facility charge is:

() Continuous through the year, or

() Seasonal - Circle the months of the year which the business activity occurs:

J F M A M J J A S O N D

Comments:

8.4 Does the operation shut down for vacation, maintenance, or other reasons?

() Yes, indicate reasons and period when shutdown occurs:

8.5 List types and amounts (mass or volume per day) of raw materials used or planned for use (attach list if needed):

8.6 List types and quantity of chemicals used or planned for use (attach list if needed). Include copies of Manufacturer's Safety Data Sheets for all chemicals identified:

Chemical

Quantity

8.7 Building Layout - draw to scale the location of each building on the premises. Show map orientation and location of all water meters, storm drains, numbered unit processes (from sewer diagram), sewer, and each facility sewer line connected to the sewer system. Number each sewer and show existing and proposed sampling locations.

A blueprint or drawing of the facilities showing the above items may be attached in lieu of submitting a drawing of this sheet.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

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9.0 SPILL PREVENTION:

PURSUANT TO 807 KAR 5.011, SECTION 9 (1)

9.1 Do you have chemical storage containers, bins, or ponds at your facility? () Yes () No. If yes, give a description of their locations, contents, size, type and frequency and maintenance cleaning. Also indicate in a diagram or comment on the proximity of these containers to a sewer or storm drain. Indicate if buried metal containers have cathodic protection.

By: S. Graham Blue SECRETARY OF THE COMMISSION

DATE OF ISSUE 8-6-98
Month Day Year

DATE EFFECTIVE 9-5-98
Month Day Year

ISSUED BY [Signature] President P.O. Box 24255, Lexington, Ky. 40524
Name of Officer Title Address

Form for filing Rate Schedules

For: Lexington, Fayette Co., Ky.
P.S.C. Ky. No. 1
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Original Sheet No. 24

Blue Sky Sewer Service Co. Inc.

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- 9.2 Do you have floor drains in your manufacturing or chemical storage area(s)?
 Yes, Indicate discharge location: _____
 No
- 9.3 If you have chemical storage containers, bins or ponds in manufacturing area, could an accidental spill lead to a discharge to: (check all that apply).
 an onsite disposal system
 sanitary sewer system (e.g. through a floor drain)
 storm drain
 to ground
 other, specify: _____
 not applicable, no possible discharge to any of the above routes
- 9.4 Do you have an accidental spill prevention plan (ASPP) to prevent spills of chemicals or slug discharges from entering the collection system?
 Yes - (Enclose a copy of the application) No
 N/A, Not applicable since there are no floor drains and/or the facility discharge(s) only domestic wastes.
- 9.5 Describe below any previous spill events and remedial measures taken to prevent their recurrence.

10.0 NON-DISCHARGE WASTES:

- 10.1 Are any waste liquids or sludges generated and not disposed of in the sanitary sewer system?
 Yes, please describe below
 No, Skip the remainder of Section 10.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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Waste Generated	Quantity (per year)	Disposal Method
_____	_____	_____

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- 10.2 Indicate which wastes identified above are disposed of at an off-site treatment facility or are disposed of on-site. PURSUANT TO 807 KAR 5:011, SECTION 9 (1)
- 10.3 If any of your wastes are sent to an off-site centralized waste treatment facility, identify the wastes and the facility. BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE 8-6-98 DATE EFFECTIVE 9-5-98
 Month Day Year Month Day Year

ISSUED BY [Signature] President P.O. Box 24255, Lexington, Ky. 40524
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Form for filing Rate Schedules

For: Lexington, Fayette Co., Ky.

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Blue Sky Sewer Service Co. Inc.

RULES AND REGULATIONS

10.4 If an outside firm removes any of the above checked wastes, state the name(s), and address(es) of all waste haulers:

A. _____

B. _____

Permit # _____

Permit # _____

10.5 Have you ever been issued any Federal, State, or local environmental permits?

() Yes

() No

If Yes, please list the permit(s):

11.0 AUTHORIZED SIGNATURES:

11.1 Compliance Certification:

Are all applicable Federal, State, and local pretreatment standards and requirements being met on a consistent basis?

() Yes

() No

() Not yet discharging

If No: What additional operations and maintenance procedures are being considered to bring the facility into compliance? Also, list any additional treatment technology or practice being considered in order to bring the facility into compliance.

Provide a schedule for bringing the facility into compliance. Specify major events planned along with reasonable completion dates. Note that if the Blue Sky Sewer Service Co., Inc., enters an agreement with a user, it may establish a schedule for compliance different from the one submitted by the facility.

Milestone Activity

Completion Date

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PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan Bue
SECRETARY OF THE COMMISSION

12.0 AUTHORIZED REPRESENTATIVE STATEMENT:

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is,

DATE OF ISSUE 8-6-98
Month Day Year

DATE EFFECTIVE 9-5-98
Month Day Year

ISSUED BY [Signature]
Name of Officer

President
Title

P.O. Box 24255, Lexington, Ky. 40524
Address

Form for filing Rate Schedules

For: Lexington, Fayette Co., Ky.

P.S.C. Ky. No. 1

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Blue Sky Sewer Service Co. Inc.

RULES AND REGULATIONS

to the best of my knowledge and belief, true, accurate, and complete. I am aware that submitting false information may lead to termination of service, and other enforcement actions by local, state, and Federal officials having jurisdiction over Blue Sky Sewer Service Co., Inc.

Name(s)

Title

Signature

Date

Phone

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 05 1998

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE 8-6-98
Month Day Year

DATE EFFECTIVE 9-5-98
Month Day Year

ISSUED BY [Signature]
Name of Officer

President
Title

P.O. Box 24255, Lexington, Ky. 40524
Address

Form for filing Rate Schedules

For: Lexington, Fayette Co., Ky.

P.S.C. Ky. No. 1

First Revised Sheet No. _____

Canceling P.S.C. Ky. No. _____

Original Sheet No. 27

Blue Sky Sewer Service Co. Inc.

RULES AND REGULATIONS

9.0 FORM OPERATING AGREEMENTS

9.1 Operating Agreement for Users whose discharge into the System is limited to domestic or "restroom wastes."

OPERATING AGREEMENT

This Agreement is entered between Blue Sky Sewer Service, Inc. (the Utility), and

User: NAME: _____

ADDRESS: _____

TELEPHONE NUMBER: _____

In consideration of the services rendered by the Utility, User agrees to be bound by the provisions of the Utility's tariff on file with the Kentucky Public Service Commission and further agrees that it will not place, deposit, or suffer to be deposited any wastes other than domestic or "restroom wastes" into the Utility's system through any connection to the system from property it uses, rents, owns, or controls.

User specifically acknowledges that placing, depositing, or suffering to be deposited any waste other than domestic or "restroom wastes" in the Utility's system by it or any persons under its control is a violation of the rules and regulations of the Utility for which the Utility may disconnect User's sewer service and recover any damages from User which the Utility may incur as a result of User's violation, including but not limited to any fines or penalties for which Utility may become liable to the Commonwealth of Kentucky, Division of Water of the Natural Resources and Environmental Protection Cabinet, under Utility's Permit No.: KY0027286.

This Agreement is effective as of the date of the last signature.

Blue Sky Sewer Service Co. Inc.

By: _____

Title: _____

Date: _____

User: _____

By: _____

Title: _____

Date: _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

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PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D Bee
SECRETARY OF THE COMMISSION

DATE OF ISSUE 8-6-98
Month Day Year

DATE EFFECTIVE 9-5-98
Month Day Year

ISSUED BY [Signature] President
Name of Officer Title

P.O. Box 24255, Lexington, Ky. 40524
Address

Form for filing Rate Schedules

For: Lexington, Fayette Co., Ky.

P.S.C. Ky. No. 1

First Revised Sheet No. _____

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Original Sheet No. 28

Blue Sky Sewer Service Co. Inc.

RULES AND REGULATIONS

9.2 Operating Agreements for Users who are or will be placing, depositing, or suffering to be deposited wastes other than domestic or "restroom wastes."

OPERATING AGREEMENT

This Agreement is entered between Blue Sky Sewer Service, Inc. (the Utility), and

USER: NAME: _____

ADDRESS: _____

TELEPHONE NUMBER: _____

In consideration of the services rendered by the Utility, User agrees to be bound by the provisions of the Utility's tariff on file with the Kentucky Public Service Commission.

1. User specifically acknowledges that a violation of the Utility's Industrial/Commercial User Policy as contained in its tariff entitles the Utility to disconnect User's sewer service and recover any damages from User which the Utility may incur as a result of User's violation, including but not limited to any fines or penalties for which Utility may become liable to the Commonwealth of Kentucky, Division of Water of the Natural Resources and Environmental Protection Cabinet, under its Permit No.: KY0027286.

2. User is authorized to discharge into the System at the following discharge point(s):

3. User shall not exceed the discharge limits set forth in Section 7.0 of the Industrial/Commercial User Policy.

4. User shall monitor the following parameters at the indicated frequency using the indicated sampling method, at the location where the waste stream first enters the Utility's System, as shown on the description required by Section 8.7 of the User Information Form. Reports of monitoring and analysis shall be submitted to the Utility as provided in Section 6.2 of the policy.

SAMPLE TYPE: 24 Hour Composite

Flow _____ Arsenic, total _____ Cadmium, total _____
Chromium, total _____ Chromium, hexavalent _____ Copper, total _____
Iron, total _____ Lead, total _____ Mercury, total _____
Nickel, total _____ Silver, total _____ Zinc, total _____
Barium _____ Selenium _____ Magnesium _____
Manganese _____ Sulfate _____ Chloride _____
Fluoride _____ Ammonia Nitrogen _____ Boron _____

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

SEP 05 1998

PURSUANT TO 807 KAR 5.011, SECTION 9 (1)

BY: Stephan O Bell SECRETARY OF THE COMMISSION

DATE OF ISSUE 8-6-98 Month Day Year

DATE EFFECTIVE 9-5-98 Month Day Year

ISSUED BY [Signature] President P.O. Box 24255, Lexington, Ky. 40524 Name of Officer Title Address

Form for filing Rate Schedules

For: Lexington, Fayette Co., Ky.

P.S.C. Ky. No. 1

First Revised Sheet No. _____

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Original Sheet No. 29

Blue Sky Sewer Service Co. Inc.

RULES AND REGULATIONS

<i>BOD-5</i>	_____	<i>Color</i>	_____
<i>Total Suspended Solids</i>	_____	<i>Total Dissolved Solids</i>	_____

<i>SAMPLE TYPE: Grab</i>			
<i>Cyanide, total</i>	_____	<i>Amenable Cyanide</i>	_____
<i>Phenols</i>	_____	<i>PCBs</i>	_____
<i>pH, S.U.</i>	_____	<i>Oil/Grease, total</i>	_____
		<i>Sulfide</i>	_____
		<i>TTO</i>	_____

5. Pursuant to Section 5.2 of the policy, the Utility may, upon 30 days notice to Users and to the Commission, impose such additional restrictions, conditions, prohibitions, or monitoring requirements upon User as may be required of the Utility by DOW as a condition for maintaining or renewing its Permit. User further agrees to accept such other modifications proposed by Utility as are required of User or the Utility by local, state, or federal law or regulation.

6. User acknowledges its duty to take all reasonable steps to minimize or correct any adverse impact to the System or the environment resulting from its failure to comply with this Agreement and the Utility's tariff, including but not limited to additional or accelerated monitoring as may be necessary to determine the nature and impact of the non-complying discharge.

7. User shall not increase the use of potable or process water or, in any way, attempt to dilute an effluent or discharge as a partial or complete substitute for adequate treatment to achieve compliance with the limitations contained in this Agreement and the Utility's tariff.

8. User shall not by-pass the System unless it is unavoidable to prevent loss of life, personal injury, or severe damage.

9. User shall maintain and operate all facilities and equipment for the treatment and control of wastewater which are installed or used to comply with the policy and this Agreement. User shall reduce or stop discharge into the System as necessary in the event of failure or reduced capacity of User facilities or equipment for treatment or control of wastewater or in the event of failure of the System, until such time as the facilities, equipment, or System are repaired or replaced and capable of treating wastewater in compliance with this policy and the Utility's Permit.

10. User shall dispose of all solids, sludges, backwash, or other pollutants removed in the course of treatment or control of wastewaters in accordance with the Clean Water Act, the Clean Air Act, and the Conservation and Recovery Act.

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Month Day SECTION 9(1)

ISSUED BY [Signature] President
Name of Officer Title

BY: Stephan Bee
P.O. Box 24255, Lexington, KY 40524
Address SECRETARY OF THE COMMISSION

Form for filing Rate Schedules

For: Lexington, Fayette Co., Ky.

P.S.C. Ky. No. 1

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Canceling P.S.C. Ky. No. _____

Original Sheet No. 30

Blue Sky Sewer Service Co. Inc.

RULES AND REGULATIONS

11. User shall routinely calibrate, inspect, and maintain all equipment used for sampling and analysis of wastewater. Equipment used for sampling and analysis shall be capable of measuring flows with a maximum deviation of less than 10 percent from true discharge rates throughout the range of expected discharge volumes.

12. User shall include the results of all monitoring done in excess of the requirements of the policy and this Agreement in its monthly reports to the Utility.

13. All reports submitted to the Utility shall contain the following certification and be signed by an authorized representative of user:

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted, is to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including immediate termination of service and the possibility of fines and criminal penalties for knowing violations."

This Agreement is effective as of the date of the last signature.

Blue Sky Sewer Service Co. Inc.

By: _____

Title: _____

Date: _____

User: _____

By: _____

Title: _____

Date: _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 05 1998

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE 8-6-98
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DATE EFFECTIVE 9-5-98
Month Day Year

ISSUED BY [Signature]
Name of Officer

President
Title

P.O. Box 24255, Lexington, Ky. 40524
Address

Form for filing Rate Schedules

For: Lexington, Fayette Co., Ky.

P.S.C. Ky. No. 1

First Revised Sheet No. _____

Canceling P.S.C. Ky. No. _____

Original Sheet No. 31

Blue Sky Sewer Service Co. Inc.

RULES AND REGULATIONS

10.0 REPORTING FORMS

Users required to monitor wastewater discharge into the system shall use the following forms for reporting to the Utility:

10.1 Self-monitoring Report Form

BLUE SKY SEWER SERVICE, INC.
SELF-MONITORING REPORT FORM

Date of this report: _____

Company Name: _____

Address: _____

Company Contact: _____

Telephone: _____

SAMPLING

Collected By: _____

Collection Date: _____ Time: _____

Sample Point Location: _____

Analyses Performed by: _____

Type of Sample: _____ Grab _____ Time Composite _____ Hours

_____ Flow Proportional Composite _____ Hours

ANALYSIS

Parameter		Unit	Result	Limit	24 Hr. Max.
Flow	Avg. Peak	GPD GPD			
Arsenic, Tot.		Std.			
Cadmium, Tot.		mg/L			

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PURSUANT TO 807 KAR 5:011,
SECTION 9(1)

BY: Stephan O. Bell
SECRETARY OF THE COMMISSION

SM-1

Self Monitoring Report Form

Bluesky Industrial Estates

DATE OF ISSUE 8-6-98
Month Day Year

DATE EFFECTIVE 9-5-98
Month Day Year

ISSUED BY [Signature]
Name of Officer

President
Title

P.O. Box 24255, Lexington, Ky. 40524
Address

Form for filing Rate Schedules

For: Lexington, Fayette Co., Ky.

P.S.C. Ky. No. 1

First Revised Sheet No. _____

Canceling P.S.C. Ky. No. _____

Original Sheet No. 32

Blue Sky Sewer Service Co. Inc.

RULES AND REGULATIONS

Paramater	Unit	Result	Limit	24 Hr. Max.
Chromium, Tot.	mg/L			
Chromium, Hex.	mg/L			
Copper, Tot.	mg/L			
Cyanide Tot.	mg/L			
Cyanide, Amen.	mg/L			
Iron, Tot.	mg/L			
Lead, Tot.	mg/L			
Mercury, Tot.	mg/L			
Nickel, Tot.	mg/L			
Silver, Tot.	mg/L			
Zinc, Tot.	mg/L			
Barium	mg/L			
Selenium	mg/L			
Magnesium	mg/L			
Manganese	mg/L			
Sulfate	mg/L			
Sulfide	mg/L			
Chloride	mg/L			
Fluoride	mg/L			
Ammonia Nitrogen	mg/L			
Phenols	mg/L			
PCBs	mg/L			
TTO	mg/L			
Boron	mg/L			
pH	S.U.			

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 05 1998

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan O Bue
SECRETARY OF THE COMMISSION

Self Monitoring Report Form

SM-2

Bluesky Industrial Estates

DATE OF ISSUE 8-6-98
Month Day Year

DATE EFFECTIVE 9-5-98
Month Day Year

ISSUED BY [Signature]
Name of Officer

President
Title

P.O. Box 24255, Lexington, Ky. 40524
Address

Form for filing Rate Schedules

For: Lexington, Fayette Co., Ky.

P.S.C. Ky. No. 1

First Revised Sheet No. _____

Canceling P.S.C. Ky. No. _____

Original Sheet No. 33

Blue Sky Sewer Service Co. Inc.

RULES AND REGULATIONS

Paramater	Unit	Result	Limit	24 Hr. Max.
Oil/Grease, Tot.	mg/L			
BOD-5	mg/L			
Tot. Susp. Solids	mg/L			
Tot. Disol. Solids	mg/L			
Color	ADMI			
Temperature	°F			
Tem	°F			
Arsenic	mg/L			
Silver	mg/L			

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based upon my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines for knowing violations.

Name

Title

Signature

Date/Phone

**PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE**

Note: Chain-of-Custody must be attached.

SEP 05 1998

**PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)**

**BY: Stephan D. Bell
SECRETARY OF THE COMMISSION**

Self Monitoring Report Form

SM-3

Bluesky Industrial Estates

DATE OF ISSUE 8-6-98
Month Day Year

DATE EFFECTIVE 9-5-98
Month Day Year

ISSUED BY [Signature] President P.O. Box 24255, Lexington, Ky. 40524
Name of Officer Title Address

Form for filing Rate Schedules

For: Lexington, Fayette Co., Ky.

P.S.C. Ky. No. 1

First Revised Sheet No. _____

Canceling P.S.C. Ky. No. _____

Original Sheet No. 34

Blue Sky Sewer Service Co. Inc.

RULES AND REGULATIONS

This report shall be postmarked no later than the 28th day of the month following the completed reported period and submitted to :

Blue Sky Sewer Service, Inc.
P.O. Box 24225
Lexington, Kentucky 40524
Attn.: Self Monitoring

Special Conditions

1. _____
2. _____
3. _____
4. _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 05 1998

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan O. Bell
SECRETARY OF THE COMMISSION

SM-4

Self Monitoring Report Form

Bluesky Industrial Estates

DATE OF ISSUE 8-6-98
Month Day Year

DATE EFFECTIVE 9-5-98
Month Day Year

ISSUED BY [Signature]
Name of Officer

President
Title

P.O. Box 24255, Lexington, Ky. 40524
Address

Form for filing Rate Schedules

For: Lexington, Fayette Co., Ky.

P.S.C. Ky. No. 1

First Revised Sheet No. _____

Canceling P.S.C. Ky. No. _____

Original Sheet No. 35

Blue Sky Sewer Service Co. Inc.

RULES AND REGULATIONS

10.2 Chain of Custody Form

BLUE SKY SEWER SERVICE, INC.
INDUSTRIAL/COMMERCIAL USER PROGRAM
CHAIN-OF-CUSTODY

Type of Inspection: Scheduled Unscheduled Demand Self Monitoring

Company: _____ Sample Location _____

Permit # _____

Sample #	Date & Time	Station Description	(grab/composite)	Containers	Preservation	Required Analyses

Sample Collected By: _____

Signature: _____

Reviewed By (Print): _____

Signature: PUBLIC SERVICE COMMISSION

Company Name (Print): _____

Date: OF KENTUCKY

Reviewed By (Print): _____

Signature: EFFECTIVE

Company Name (Print): _____

Date: SEP 05 1998

Reviewed By (Print): _____

Signature: _____

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan Bue

SECRETARY OF THE COMMISSION

DATE OF ISSUE 8-6-98
Month Day Year

DATE EFFECTIVE 9-5-98
Month Day Year

ISSUED BY [Signature]
Name of Officer

President
Title

P.O. Box 24255, Lexington, Ky. 40524
Address

Form for filing Rate Schedules

For: Lexington, Fayette Co., Ky.

P.S.C. Ky. No. 1

First Revised Sheet No. _____

Blue Sky Sewer Service Co. Inc.

Canceling P.S.C. Ky. No. _____

Original Sheet No. 36

RULES AND REGULATIONS

10.3 Wastewater Contribution Monitoring Report Form

WASTEWATER CONTRIBUTION MONITORING REPORT
FACILITY NAME

Parameter	Freq	Type	Unit	Limit	Test Result	Test Method	Viol.
Arsenic	1/yr	Comp	mg/L	0.05		EPA 206.2	
Boron	1/yr	Comp	mg/L	1.00		SM4500B-C	
Cadmium	1/mo	Comp	mg/L	0.06		EPA 213.1	
Chloride	1/yr	Comp	mg/L	100		EPA 325.3	
Chromium, hex	1/yr	Comp	mg/L	0.02		SM3500C-D	
Chromium, T	1/mo	Comp	mg/L	0.07		EPA 218.1	
Color	1/yr	Comp	ADMI	300		EPA 110.1	
Copper	1/mo	Comp	mg/L	0.65		EPA 220.1	
Cyanide, Am	1/mo	Grab	mg/L	0.04		EPA 335.1	
Cyanide, T	1/mo	Grab	mg/L	0.07		EPA 335.2	
Tot. Dis. Sol	1/yr	Comp	mg/L	225		EPA 160.1	
Flow	1/mo			Report			
Fluoride	1/yr	Comp	mg/L	1.50		EPA 340.2	
Iron	1/yr	Comp	mg/L	0.30		EPA 236.1	
Lead	1/mo	Comp	mg/L	0.12		EPA 239.1	
Magnesium	1/yr	Comp	mg/L	Report		EPA 242.1	
Manganese	1/yr	Comp	mg/L	0.05		EPA 243.1	
Mercury	1/yr	Comp	mg/L	0.006		EPA 245.1	
Nickel	1/mo	Comp	mg/L	0.60		EPA 249.1	
Oil & Grease, Hydro	1/mo	Grab	mg/L	25		SM5520-F	
Oil & Grease, T	1/mo	Grab	mg/L	100		SM5520-B	
pH	1/mo	Grab	S.U.	6.0-9.0		EPA 150.1	
Phenols	1/yr	Grab	mg/L	0.10		EPA 420.1	
PCBs	1/yr	Grab	mg/L	0.00		EPA 608	
Selenium	1/yr	Comp	mg/L	0.05		EPA 270.2	
Silver	1/mo	Comp	mg/L	0.10		EPA 272.1	
Sulfate	1/yr	Comp	mg/L	70		EPA 375.4	
Sulfide	1/yr	Grab	mg/L	1.50		EPA 376.1	
TiO	2/yr	Comp	mg/L	1.10			
Zinc	1/mo	Comp	mg/L	0.20		EPA 289.1	
Surcharge Parameters							
BOD ₅	1/mo	Comp	mg/L	225		EPA 405.1	
TSS	1/mo	Comp	mg/L	225		EPA 160.2	
Ammonia-nitrogen	1/mo	Comp	mg/L	20		EPA 350.2	

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 05 1998

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan Bue
SECRETARY OF THE COMMISSION

Date: _____ By: _____ Grab/Comp Both

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines for knowing violations.

Signed: _____ Title: _____ Date: _____

DATE OF ISSUE 8-6-98
Month Day Year

DATE EFFECTIVE 9-5-98
Month Day Year

ISSUED BY [Signature] President P.O. Box 24255, Lexington, Ky. 40524
Name of Officer Title Address

Form for filing Rate Schedules

For: Lexington, Fayette Co., Ky.
P.S.C. Ky. No. 1
First Revised Sheet No. _____
Canceling P.S.C. Ky. No. _____
Original Sheet No. 37

Blue Sky Sewer Service Co. Inc.

RULES AND REGULATIONS

11.0 EXCESS TREATMENT FEE

A User which desires to exceed the discharge limits for BOD, TSS, or Ammonia Nitrogen set forth in Section 7.0 of this policy may request that provisions be included in its Agreement by which the Utility agrees to treat additional amounts of these pollutants and the User agrees to pay an excess treatment fee in addition to other charges provided by this tariff. In no event shall the 24 Hour Maximum Daily Concentration (mg/L) exceed 400 mg/L for BOD, 400 mg/l for TSS, or 100 mg/L for Ammonia Nitrogen. Excess treatment fees shall be as follows:

BOD	_____	per pound over Section 7.0 discharge limit
TSS	_____	per pound over Section 7.0 discharge limit
Ammonia Nitrogen	_____	per pound over Section 7.0 discharge limit

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 05 1998

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE 8-6-98
Month Day Year

DATE EFFECTIVE 9-5-98
Month Day Year

ISSUED BY [Signature] President P.O. Box 24255, Lexington, Ky. 40524
Name of Officer Title Address

Form for filing Rate Schedules

For: Lexington, Fayette Co., Ky.

P.S.C. Ky. No. 1

First Revised Sheet No. _____

Canceling P.S.C. Ky. No. _____

Original Sheet No. 38

Blue Sky Sewer Service Co. Inc.

RULES AND REGULATIONS

BLUE SKY SEWER SERVICE CO., INC.

P.O. Box 24255
Lexington, Kentucky 40524

(606) 272-9801

SEWER USAGE INVOICE

DATE:

ACCT. NUMBER:

CUSTOMER:

SERVICE LOCATION:

PREVIOUS BALANCE:

FEES DUE:

Sewer service through

Kentucky Sales Tax

TOTAL DUE:

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

AUG 25 1999

USAGE (GALLONS)

TYPE

RESID. EQUIV.

PURSUANT TO 807 KAR 6.011,
SECTION 9 (1)

BY: Stephan Bue
SECRETARY OF THE COMMISSION

TOTAL AMOUNT DUE ON OR BEFORE 20th of following month

DATE OF ISSUE 7-25-99
Month Day Year

DATE EFFECTIVE 8-25-99
Month Day Year

ISSUED BY [Signature]
Name of Officer

President
Title

P.O. Box 24255, Lexington, Ky. 40524
Address