

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

COVERED BRIDGE FARM DEVELOPMENT CORP.)
APPLICATION FOR APPROVAL OF THE TRANSFER) CASE NO. 89-345
OF COVERED BRIDGE FARMS SEWAGE TREATMENT)
PLANT TO COVERED BRIDGE UTILITIES, INC.)

O R D E R

On November 14, 1989, Covered Bridge Farms Development Corp. ("CBF") and Covered Bridge Utilities, Inc. ("CBU") filed a joint application for Commission approval of the proposed transfer of CBF's sewage treatment plant ("Facility") in western Oldham County, Kentucky, to CBU. CBF has operated the Facility, which serves the Covered Bridge Farms Subdivision in Oldham County, since 1979.¹ CBF contracts with Andriot Davidson Company for operation of the Facility. This Order grants the approval requested.

THE PROPOSED TRANSACTION

Under the agreement between CBF and CBU governing the proposed transfer of the Facility, CBU will pay CBF \$15,000 for

¹ Case No. 7340, The Application of Covered Bridge Farm Development Corporation, a Kentucky Corporation, for an Order Pursuant to Chapter 278 of the Kentucky Revised Statutes for a Certificate of Public Convenience and Necessity Authorizing and Permitting the Applicant to Construct a Waste Water Collection and Treatment System and Facility to Serve the Residents of Covered Bridge Farms Subdivision in Oldham County, Kentucky.

the Facility. CBU will continue to contract with Andriot Davidson Company to operate the Facility under the supervision of the current licensed operator. There will be no disruption in service or any additional charges to persons served by the Facility. The current tariff of CBF will remain effective after the transfer of the Facility CBU.

APPLICABLE LAW

KRS 278.020(4) and (5) require the Commission's approval before control of a utility can be acquired by a person or corporation. In this case the control will be acquired by the sale of CBF's assets, i.e., the Facility, to CBU. KRS 278.020(4) and (5), therefore, apply to the proposed transfer.

The Commission finds that transfer of the Facility to CBU will not work to the detriment of those persons served by the Facility. Rates will not increase because of the transfer. CBU has the financial, technical, and managerial capability to operate the Facility, through an experienced contract operator, so that its customers will receive adequate and reasonable service.

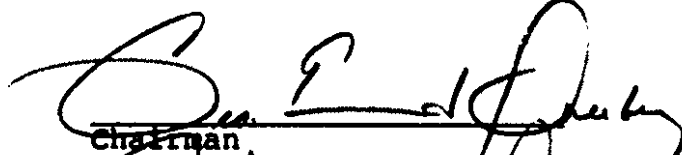
IT IS THEREFORE ORDERED that:

1. The transfer of the Facility to CBU be and hereby is approved.

2. Within 10 days of the date of this Order, CBU shall file pursuant to 807 KAR 5:011, Section 11, a notice that it shall operate the Facility under the current tariff of CBF.

Done at Frankfort, Kentucky, this 12th day of January, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:

Executive Director