

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF ORCHARD	)	
GRASS UTILITIES, INC. AND OLDHAM	)	
COUNTY SEWER DISTRICT FOR APPROVAL	)	CASE NO.
OF THE TRANSFER OF WASTEWATER	)	2004-00029
TREATMENT FACILITIES PURSUANT TO	)	
AN ASSET PURCHASE AGREEMENT	)	
BETWEEN THE PARTIES	)	

O R D E R

On March 8, 2004, Robert Madison, an intervenor herein, moved the Commission to set this matter for a formal hearing on March 18, 2004 and to permit the parties the opportunity to file briefs no sooner than March 29, 2004. On March 11, 2004, Orchard Grass Utilities, Inc. ("Orchard Grass"), a joint applicant, filed a response to the motion. Orchard Grass states that the Commission is required to grant approval of a transfer if it finds that the acquirer has the financial, technical, and managerial abilities to provide reasonable service. It argues that the record contains information sufficient for the Commission to make such finding and that Mr. Madison's request for a hearing should be denied.

Our review of any proposed transfer of control must address two issues. First, we must determine whether the party acquiring control has the requisite abilities to provide reasonable utility service. Second, we must determine whether the proposed transfer is "to be made in accordance with law, for a proper purpose and is consistent with the public interest." KRS 278.020(4) and (5).

KRS 278.020(5) requires the Commission to reach a final decision on the proposed acquisition within 60 days of the filing of the application unless it is necessary, for good cause shown, to continue the application. If good cause for an extension exists, the Commission may extend the review period for an additional 60 days.

The Commission has carefully reviewed the record in this proceeding and finds that additional information is needed before it can render a final decision in this matter. Therefore, pursuant to KRS 278.020, the Commission concludes that good cause exists to extend the review period to 120 days. The Commission finds that an informal conference should be scheduled to allow the parties an opportunity to discuss outstanding issues. The Commission further finds that Mr. Madison's motion should be granted to the extent that a formal hearing should be scheduled and that briefs should be permitted.

IT IS THEREFORE ORDERED that:

1. The period for reviewing the proposed transfer is extended to 120 days. The Commission's decision in this proceeding is now due on or before May 28, 2004.
2. An informal conference shall be held on April 8, 2004, at 9:00 a.m., Eastern Daylight Time, in Conference Room 2 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.
3. A public hearing is scheduled to begin at 9:00 a.m., Eastern Daylight Time, on April 15, 2004 in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.
4. The official record of this proceeding shall be by video only, unless otherwise requested by a party to this proceeding.

5. All briefs, if any, shall be filed no later than April 26, 2004.

Done at Frankfort, Kentucky, this 24<sup>th</sup> day of March, 2004.

By the Commission

ATTEST:

  
Executive Director