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RECEIVED

OCT 4 2004

PUBLIC SERVICE
COMMISSION
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October 1, 2004

2004-336

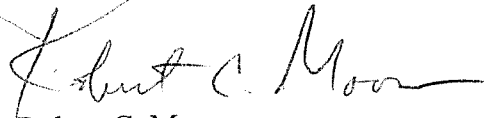
Ms. Beth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602-0615

Re: Richmond Utilities, LLC
Joint Application for Approval of Transfer

Dear Ms. O'Donnell:

Please find enclosed for filing in the above referenced case, the original and 4 copies of the Evidence of Financial Integrity submitted on behalf of Richmond Utilities, LLC.

Yours truly,


Robert C. Moore

cc: Marty Cogan
Enclosures
RCM/csc

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

FILED
OCT 4 2004
PUBLIC SERVICE
COMMISSION

In the Matter of:

JOINT APPLICATION OF B. H., INC.) Case No. 2004-00336
AND RICHMOND UTILITIES, LLC)
FOR APPROVAL OF THE TRANSFER OF)
WASTEWATER TREATMENT PLANT TO)
RICHMOND UTILITIES, LLC)

EVIDENCE OF FINANCIAL INTEGRITY

The Joint Applicant, Richmond Utilities, LLC, hereby submits the following information to the Public Service Commission of Kentucky ("Commission") to establish that it has the requisite financial integrity to operate the Brocklyn Subdivision Wastewater Treatment Plant in Richmond, Madison County, Kentucky.

1. Richmond Utilities, LLC, is a Kentucky Limited Liability Company that was formed on July 16, 2004, in order to purchase the Brocklyn Subdivision Wastewater Treatment Plant. It is owned and operated by Marty Cogan and Larry Smither. Marty Cogan and Larry Smither own and/or held ownership interests in the below listed wastewater treatment plants located in Kentucky:

Covered Bridge Utilities wastewater treatment plant;

Glenview Utilities wastewater treatment plant;

Lake Columbia Utilities wastewater treatment

Furthermore, Marty Cogan has been an officer in the below listed wastewater treatment plants.

Countryside Utilities wastewater treatment plant;

Willow Creek Utilities wastewater treatment plant;

Orchard Grass Utilities wastewater treatment plant;

Hunter's Hollow Utilities wastewater treatment plant;

Bullitt Hills Utilities wastewater treatment plant;
Brentwood Utilities wastewater treatment plant; and,
Farmdale. Utilities wastewater treatment plant.

Throughout the operation of the above named wastewater treatment plants, these utilities paid their expenses in a timely manner and continued to operate over a number of years. The successful operation of the above named wastewater treatment plants by Marty Cogan and Larry Smither establishes that they have the financial wherewithal to operate the Brocklyn Subdivision Wastewater Treatment Plant.

2. Since August 1, 2004, Richmond Utilities, LLC, has operated the subject wastewater treatment plant for B.H., Inc., the current owner. The subject wastewater treatment plant has been operated in compliance with the applicable statutes and regulations. Furthermore, the expenses incurred in the operation of the subject wastewater treatment plant have been paid in a timely manner. The successful operation of the Brocklyn Subdivision Wastewater Treatment Plant establishes that Richmond Utilities, LLC, has the financial wherewithal to operate same. Furthermore, Richmond Utilities, LLC, will not assume any liabilities or obligations of B. H., Inc. In connection with the transfer of the the assets of the Brocklyn Subdivision Wastewater Treatment Plant.

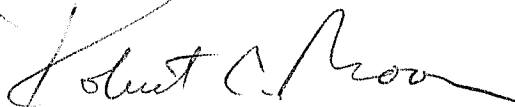
3. Mr. Cogan is a licensed wastewater treatment plant operator in the Commonwealth of Kentucky. He also has a Master's Degree in Environmental Engineering from the University of Louisville's Speed Scientific School. Mr. Cogan has operated numerous wastewater treatment plants located in Kentucky over the last twenty (20) years. Mr. Smither, who is also licensed by the Commonwealth of Kentucky as a wastewater treatment plant operator has extensive experience in wastewater treatment plant operation and design, has operated package wastewater treatment plants

in Kentucky for over thirty (30) years.

4. Pursuant to the terms of the Assets Purchase Agreement entered into by Richmond Utilities, LLC, and B.H., Inc., Richmond Utilities, LLC, will take ownership of the cash proceeds owned by, administered by or maintained by the Trust created pursuant to the Trust Indenture dated June 5, 1969, by and between B.H. Incorporated, Inland Builders Incorporated and State Bank and Trust Company (Predecessor to Bank One). At this time, the value of the Trust is \$20,278.54, as set forth in the statement issued by Bank One on September 15, 2004. (See Attachment A). Accordingly, Richmond Utilities, LLC, will have more than sufficient assets to enable it to operate the subject wastewater treatment plant, since the monies from the Trust, as well as the revenue earned from the operation of the subject plant, will be deposited into its account upon the closing of the transfer of the Brocklyn Subdivision Wastewater Treatment Plant.

WHEREFORE, the Richmond Utilities, LLC., respectfully requests the Public Service Commission to issue an Order finding that Richmond Utilities, LLC, has the financial integrity to own and operate the Brocklyn Subdivision Wastewater Treatment Plant without the need to submit a 3rd Party Beneficiary Agreement.

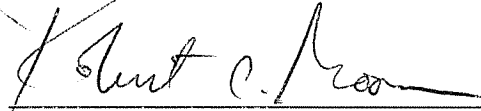
Respectfully submitted,



Robert C. Moore
Hazelrigg & Cox, LLP
415 West Main Street
P.O. Box 0676
Frankfort, Kentucky 40602-0676

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed by first class mail, postage prepaid, on Beth O'Donnell, Executive Director, Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, and Jeb Pinney, Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, Bob L. Hager, 468 Eastern Bypass, Richmond, Kentucky 40476 and David Edward Spenard, Assistant Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Ky., 40601-8204 on this the 1st day of October, 2004.

A handwritten signature in cursive script, appearing to read "Robert C. Moore", written over a horizontal line.

Robert C. Moore

SECURITY DESCRIPTION MARKET VALUE FEDERAL COST \$MKT ANNUAL INC/ UNRRAL G/L CURR YIELD

CASH MANAGEMENT GOVT/TREAS

| SECURITY DESCRIPTION | MARKET VALUE | FEDERAL COST | \$MKT | ANNUAL INC/ UNRRAL G/L | CURR YIELD |
|-------------------------------------|--------------|--------------|-------|------------------------|------------|
| ONE GROUP U.S. TREAS SEC MNY MNT FD | 788.13 | 681937108 | 4.1 | 7 | 1.0 |
| ONE GROUP U.S. TREAS SEC MNY MKT FD | 1,394.66 | 681937106 | 7.2 | 13 | 1.0 |

INSTL MUTUAL FUNDS EQUITY

| SECURITY DESCRIPTION | MARKET VALUE | FEDERAL COST | \$MKT | ANNUAL INC/ UNRRAL G/L | CURR YIELD |
|-------------------------------------|--------------|--------------|-------|------------------------|------------|
| ONE GROUP DIVERSIFIED EQUITY FUND | 508,3540 | 681939781 | 30.3 | 1,205 | 0.7 |
| ONE GROUP DIVERSIFIED INTERNAT'L FD | 62,7280 | 68231N834 | 4.5 | 7 | 0.8 |
| ONE GROUP EQUITY INCOME FUND | 60,5590 | 681937793 | 5.2 | 15 | 1.5 |

INSTL MUTUAL FDS FIXED INC.

| SECURITY DESCRIPTION | MARKET VALUE | FEDERAL COST | \$MKT | ANNUAL INC/ UNRRAL G/L | CURR YIELD |
|----------------------------------|--------------|--------------|-------|------------------------|------------|
| ONE GROUP INTERMEDIATE BOND FUND | 869,6780 | 681937272 | 48.6 | 438 | 4.7 |

| INVESTMENTS | MARKET VALUE | FEDERAL COST | \$MKT | ANNUAL INC/ UNRRAL G/L | CURR YIELD |
|---------------------|--------------|--------------|-------|------------------------|------------|
| PRINCIPAL CASH | 19,307.94 | 18,286.29 | 100.0 | 520 | 2.7 |
| TOTAL | 19,307.94 | 18,286.29 | | 1,022 | |
| INCOME CASH | | 970.60 | | | |
| TNY, INCOME CASH | | -970.60 | | | |
| VERY LIQUID BALANCE | | 2,182.79 | | | |

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Handwritten signature

Beth O'Donnell, Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

