

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JAN 07 2005

PUBLIC SERVICE
COMMISSION

In the Matter of:

JOINT APPLICATION OF AIRVIEW ESTATES, INC.,) Case No. 2005- 00022
AND ELIZABETHTOWN UTILITIES, LLC)
FOR APPROVAL OF THE TRANSFER OF)
WASTEWATER TREATMENT PLANT TO)
ELIZABETHTOWN UTILITIES, LLC)

APPLICATION FOR APPROVAL OF TRANSFER

Pursuant to KRS 278.020(4), Airview Estates, Inc., and Elizabethtown Utilities, LLC, hereby submit to the Public Service Commission of Kentucky (“Commission”) this application for the transfer of the Wastewater Treatment Plant and collection system serving the Airview Estates Subdivision in Hardin County, Kentucky, to Elizabethtown Utilities, LLC in accordance with the Assets Purchase Agreement executed by the Joint Applicants, a copy of which is attached hereto as Exhibit A. In support of their application, Airview Estates, Inc., and Elizabethtown Utilities, LLC, state the following.

1. Airview Estates, Inc., the Seller under the Agreement, is a Kentucky Corporation in good standing, with its principal place of business at 10411 Forest Garden Lane, Louisville, Kentucky 40223. A copy of the Articles of Incorporation of Airview Estates, Inc., is attached hereto as Exhibit B. Airview Estates, Inc., is a private utility subject to Commission jurisdiction under KRS 278.010(3)(f). Fred Schlatter is the President and a shareholder of Airview Estates, Inc., and has been duly authorized to execute this joint application on behalf of the corporation.
2. Elizabethtown Utilities, LLC, is the purchaser under the Agreement, and its address is 1706 Bardstown Road, Louisville, Kentucky 40205. Elizabethtown Utilities, LLC, is a Kentucky Limited Liability Company in good standing. A copy of the Articles of Organization of

Elizabethtown Utilities, LLC, is attached hereto as Exhibit C. Elizabethtown Utilities, LLC, is a private utility subject to Commission jurisdiction under KRS 278.010(3)(f). Marty Cogan, a member of Elizabethtown Utilities, LLC, is duly authorized to execute this joint application on behalf of the limited liability company.

3. The sewer system owned by Airview Estates, Inc., serves approximately 70 single family residences and 98 multi-family residences in Airview Estates Subdivision, Elizabethtown, Hardin County, Kentucky. These are no commercial connections to the subject wastewater treatment plant.

4. Under the Agreement, Airview Estates, Inc., will sell to Elizabethtown Utilities, LLC, all of the assets making up the wastewater treatment plant and the collection system currently serving the Airview Estates Subdivision located in Elizabethtown, Hardin County, Kentucky. The assets purchased by Elizabethtown Utilities, LLC, are described more fully in the Agreement, but include the Airview Estates Subdivision wastewater treatment plant, the wastewater collection system and any pump stations related thereto, cash and cash equivalents and the sewer easements. The property upon which the wastewater treatment plant is located is being leased to Elizabethtown Utilities, LLC. All liabilities of Airview Estates, Inc., shall be concluded at closing so that Elizabethtown Utilities, LLC, will not assume any liabilities or obligations of Airview Estates, Inc. Elizabethtown Utilities, LLC, will have the obligation to provide utility services in connection with the operation of the sewer business after the closing. The closing under the Agreement will occur within thirty (30) days after receipt of the approval of the Commission.

5. The Airview Estates Subdivision wastewater treatment plant is an above ground package sewage treatment plant. It was constructed in 1969 and currently serves approximately 70 single

family residences and 98 multi-family residences in Hardin County, Kentucky. The average daily treatment capacity of the Airview Estates Brocklyn Subdivision wastewater treatment plant is 40,000 gallons. The plant consists of an aeration tank, a settling tank and chlorinating facilities, and the effluent flows into a lagoon prior to discharging to an unnamed tributary to Taylor Fork. The plant is in good condition and consistently meets State water quality standards.

6. Elizabethtown Utilities, LLC, has the requisite financial, technical and managerial ability to operate the subject wastewater treatment plant and collection system and to provide reasonable service to the wastewater customers of Elizabethtown Utilities, LLC. Marty Cogan and Larry Smither, the members of Airview Elizabethtown Utilities, LLC, have the necessary financial reserves to loan the limited liability company the funding necessary to assure continued operation of the plant. Elizabethtown Utilities, LLC, has the necessary technical ability to operate the subject wastewater treatment plant, as 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. Elizabethtown Utilities, LLC, has the necessary managerial ability to operation the subject wastewater treatment plant, as Mr. Cogan and Mr. Smither previously owned and operated the Covered Bridge Utilities wastewater treatment plant and the Glenview Utilities wastewater treatment plant located in Jefferson County, Kentucky. The Covered Bridge Utilities wastewater treatment plant was sold to the Oldham County Sewer District in 2000. The Glenview Utilities

wastewater treatment plant was sold to the Louisville and Jefferson Metropolitan Sewer District. Mr. Cogan and Mr. Smither have assisted with the management of a number of wastewater treatment plants owned by Mr. Carroll F. Cogan, including the following wastewater treatment plants: Countryside, Willow Creek, Orchard Grass, Hunter's Hollow, Bullitt Hills, Brentwood and Farmdale. Furthermore, since August 1, 2004, Richmond Utilities, LLC, has operated the subject wastewater treatment plant for Airview Estates, Inc.

7. There is no one that the Joint Applicants are aware of that would be willing to participate in the execution of a third party beneficiary agreement. As stated above, Mr. Cogan and Mr. Smither are very familiar with the financial resources required to run this facility and are well prepared to undertake this responsibility. The transfer puts the plant in the hands of individuals prepared and qualified to operate and run the facility. The community will benefit from the improved operation and plant performance afforded by the new owners.

8. The proposed transfer of the assets of the Airview Estates Subdivision Wastewater Treatment Plant by Airview Estates, Inc., to Elizabethtown Utilities, LLC, will be accomplished in accordance with law, for a proper purpose and, consistent with the public interest: (a) On or before closing, Elizabethtown Utilities, LLC, will have all necessary permits for the operation of the Airview Estates Subdivision Wastewater Treatment System. (b) The public interest would be served by the transfer of the sewer business to Elizabethtown Utilities, LLC, as it has the technical expertise to operate the system in accordance with the requirements of the Kentucky Public Service Commission and the Kentucky Division of Water. As stated in Paragraph 6 above, Elizabethtown Utilities, LLC, has the requisite ability to provide adequate sanitation services to the residents of the Airview Estates Subdivision in Elizabethtown, Hardin County consistent with the public interest.

9. Elizabethtown Utilities, LLC, has filed a Notice of Adoption as described in 807 KAR 5:011.

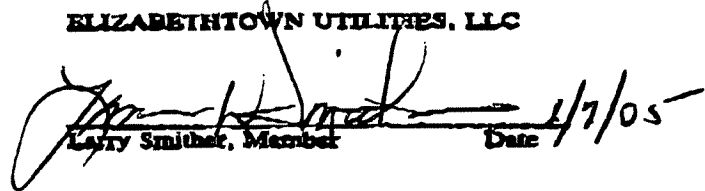
WHEREFORE, the undersigned Joint Applicants respectfully request the Public Service Commission to issue an Order finding that Elizabethtown Utilities, LLC, has the financial, technical, and managerial abilities to provide reasonable service to the wastewater customers of Airview Estates Subdivision, which includes the Airview Estates Subdivision Wastewater treatment system; that the proposed transaction is in accordance with law, is for a proper purpose, and is consistent with the public interest; and, that the proposed transfer of the sewer business by Airview Estates, Inc., to Elizabethtown Utilities, LLC, is authorized and approved.

Respectfully submitted,

AIRVIEW ESTATES, INC.


Fred Schlamet, President Date 12/7/05

ELIZABETHTOWN UTILITIES, LLC


Larry Smith, Member Date 1/7/05

ASSETS PURCHASE AGREEMENT

This is an Assets Purchase Agreement ("Agreement") dated as of the ____ day of December, 2004, by and between Airview Estates, Inc., 10411 Forest Garden Lane, Louisville, Kentucky 40223, (hereinafter called the "Seller"), and Elizabethtown Utilities, LLC, 1706 Bardstown Road, Louisville, Kentucky 40205-1212, (hereinafter called the "Buyer").

RECITALS

WHEREAS, the Seller owns and operates certain wastewater collection, conveyance and treatment facilities (the "Wastewater System"), serving land located in or adjacent to property known as Airview Estates Subdivision in Hardin County, Kentucky. The Wastewater System includes a 50,000 gallon per day wastewater treatment plant and associated sanitary sewers, pumping stations, force mains and sewer easements.

WHEREAS, the Seller desires to sell and the Buyer desires to purchase the Wastewater System in accordance with and subject to the provisions of this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged by the parties, and in consideration of the mutual covenants and agreements contained in this Agreement, and intending to be legally bound, the parties hereto agree as follows:

SECTION I PURCHASE AND SALE

Section 1.1 Sale of Assets. The Seller hereby agrees to sell and convey to Buyer, and Buyer hereby agrees to purchase from Seller the following assets (the "Assets");

(a) Property. The Airview Estates wastewater treatment plant and associated sanitary sewers, pumping stations, force mains, equipment, and sewer easements owned by Seller upon which the wastewater treatment plant is located in Hardin County, Kentucky, serving land located in or adjacent to the property known as Airview Estates Subdivision in Hardin County, Kentucky.

(b) Records. Copies of all records of the Seller relating to the ownership, operation, maintenance and design of the Wastewater System, including but not limited to sewer maps, construction plans and drainage plans that may exist.

(c) Governmental Approvals. Any KPDES discharge permit issued to Airview Estates, Inc., by the Kentucky Department for Environmental Protection, Division of Water, and as amended from time to time, and all other existing approvals, certificates of public convenience and necessity, permits, licenses, orders, tariffs, and similar rights obtained from governments and governmental agencies to the extent Seller's interest therein is transferrable and related to the ownership or operation of the Wastewater System.

Section 1.2 Assumption of Liabilities by Elizabethtown Utilities, LLC. Buyer does not assume,

agree to perform or discharge, or otherwise have any responsibility for, any liabilities or contractual obligations of the Seller arising prior to the Closing Date. Except as specifically stated herein, the Seller agrees to retain and satisfy or discharge in full, all liabilities existing on the Closing Date or arising out of the operation of the Wastewater System prior to the Closing Date including but not limited to the Agreed Order entered into by the Seller in Environmental and Public Protection Cabinet vs. Airview Estates, Inc.; Administrative File No. DOW-32651-037 and any and all liabilities arising from the use, disposal, handling, presence or discharge of pollutant(s), toxic substance(s), hazardous waste(s), hazardous material(s), hazardous substance(s), or oil as defined by or in federal, Kentucky or local environmental law, regulation, ordinance or rule, whether existing as of the date hereof, previously enforced, or subsequently enacted.

Section 1.3 Terms and Conditions of Sale.

(a) The purchase price to be paid by Buyer to Seller for the assets described in Section 1.1 above shall be One Dollar (\$1.00). The parties further agree:

~~(i) Any applicable property tax and Public Service Commission Assessments due and payable for 2004 and/or 2005 shall be pro-rated as of the date of closing. Buyer shall pay any sales tax due on the sale of the assets to it.~~

**SECTION II
CLOSING**

Section 2.1. Closing. The purchase and sale (the "Closing") provided for in this Agreement will take place at the offices of Hazelrigg & Cox, LLP within thirty (30) days after the receipt of approval by the Kentucky Public Service Commission of the Buyer's purchase of the subject assets from Seller.

Section 2.2. Closing Obligations. At the Closing:

(a) Seller will deliver to Buyer:

- (i) a Bill of Sale documenting the sale to BUYER of the wastewater treatment plant and associated sanitary sewers, pumping stations, force mains, equipment and sewer easements.
- (ii) a Lease Agreement and Memorandum of Lease Agreement reflecting the lease of the Wastewater System Treatment Plant Site located in Hardin County, Kentucky, to Buyer. For a term of 50 years. Said Lease Agreement and Memorandum of Lease Agreement shall be in the form reflected in Exhibit A.
- (iii) copies of correspondence forwarded to the appropriate government agencies requesting the transfer to Buyer of all permits, licenses, orders, tariffs and other similar rights.
- (iv) a resolution of the Seller authorizing the Seller to enter into this Agreement.

(b) Buyer will deliver to Seller:

(i) Payment of One Dollar (\$1.00);

(ii) the resolution of the Buyer authorizing the Buyer to enter into and to perform this Agreement.

SECTION III REPRESENTATIONS AND WARRANTIES OF THE SELLER

Section 3.01. Organization and Authority. The Seller is a Kentucky for-profit corporation. Seller states that all reports required to be filed with the Kentucky Secretary of State have been filed, and no articles of dissolution have been filed with the Kentucky Secretary of State. The execution and delivery by Seller of this Assets Purchase Agreement, as well as the documents described herein will constitute the legal, valid, and binding obligations of Seller, enforceable against Seller in accordance with their respective terms. Seller has the absolute authority to execute and deliver these documents and to perform its obligations under same.

Section 3.02. Books and Records. The books and records concerning the design, operation, maintenance, and repair of the Wastewater System have been made available to the Buyer.

Section 3.03. No Undisclosed Liabilities. Seller is not aware of any Company liabilities or obligations of any nature (whether known or unknown and whether absolute, accrued, contingent, or otherwise) except for current liabilities incurred in the Ordinary Course of Business which are known to Buyer and any liabilities arising out of the Agreed Order entered into by the Seller in Environmental and Public Protection Cabinet vs. Airview Estates, Inc.; Administrative File No. DOW-32651-037.

Section 3.04. Disclosure. No representation or warranty of Seller in this Agreement omits a material fact necessary to make the statements herein accurate.

Section 3.05. Brokers or Finders. Seller and his agents have incurred no obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with this Agreement.

SECTION IV REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer represents and warrants to Seller as follows:

Section 4.01. Approval of Purchase and Authorization, Execution and Delivery of this Agreement. The Buyer has been duly authorized to undertake and fulfill by all necessary action the execution of this Assets Purchase Agreement, and the execution of same constitutes a valid and binding obligation of the Buyer in accordance with its terms.

Section 4.02. Brokers or Finders. The Buyer and its agents have incurred no obligation or

liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with this Agreement.

ARTICLE V COVENANTS OF SELLER

Section 5.01. Access and Investigation. Between the date hereof and the Closing Date, Seller will (a) afford the Buyer and its Representatives (collectively, "The Buyer's Advisors") full and free access to the Seller's personnel, properties (including subsurface testing), contracts, books and records, and other documents and data, concerning the operation, maintenance and repair of the Wastewater System.

Section 5.02. Operation of the Businesses of the Company. Between the date hereof and the Closing Date, Seller will:

- (a) conduct its business only in the Ordinary Course of Business;
- (b) use its Best Efforts to maintain the relations and good will with suppliers, customers, landlords, creditors, employees, agents, and others with whom it has business relationships;
- (c) confer with the Buyer concerning operational matters of a material nature; and
- (d) promptly notify the Buyer in writing if Seller becomes aware of any fact or condition that causes or constitutes a Breach of any of Seller's representations and warranties as of the date of this Agreement.

Section 5.03. Required Approvals. As promptly as practicable after the date hereof, Seller will make or assist in the submission of all filings required in order to consummate the sale of the Wastewater System to the Buyer. Between the date hereof and the Closing Date, Seller will, cooperate with the Buyer with respect to all filings that the Buyer elects to make in connection with the purchase of the Wastewater System and to obtain any necessary consent(s) to complete this transaction.

Section 5.05. Indemnification. SELLER will indemnify and hold harmless BUYER, and will pay to BUYER the amount of any damages, including but not limited to incidental and consequential damages, expenses of investigation, defense, court costs and reasonable attorneys fees, whether or not involving a third-party claim, arising directly or indirectly, from or in connection with (a) any breach of any covenant, obligation, representation or warranty made by SELLER, or (c) any liability for claims or causes of action resulting from SELLERS' actions or conduct occurring prior to the date of Closing.

ARTICLE VI COVENANTS OF THE BUYER

Section 6.01. Approvals of Governmental Bodies. As promptly as practicable after the date of this Agreement, the Buyer will make all filings required to consummate the purchase of the Wastewater

System, and will cooperate in the preparation and filing of the Joint Application necessary to obtain the Public Service Commission's approval of said purchase.

Section 6.02. Best Efforts. Between the date of this Agreement and the Closing Date, the Buyer will use its Best Efforts to cause the conditions set forth herein to be satisfied, and to obtain the consents necessary to consummate the transaction contemplated herein.

ARTICLE VII TERMINATION

Section 7.01. Termination Event. This Agreement may, by notice given prior to or at the Closing, be terminated:

- (a) by either the Buyer or Seller if a material Breach of any provision of this Agreement has been committed by the other party and such Breach has not been waived.
- (b) by mutual consent of the Buyer and Seller; or
- (c) by either the Buyer or Seller if the Closing has not occurred (other than through the failure of any party seeking to terminate this Agreement to comply fully with its obligations under this Agreement) on or before or such later date as the parties may agree upon; or
- (d) by either party should additional information disclosed after execution of this Agreement, by way of document review, disclosure, or any other means, have a material and adverse affect on the terms of this Agreement.

The unimpaired right to pursue all legal and equitable remedies available to the parties shall survive such termination.

SECTION VIII GENERAL PROVISIONS

~~Section 8.01. Expenses. Each party will bear its own expenses regarding the preparation and closing of this Agreement.~~

Section 8.02. Notices. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of service if served personally on the party to whom notice is to be given, (b) on the day after delivery to a nationally recognized overnight courier service, or the Express Mail service maintained by the United States Postal Service, or (c) on the fifth (5th) day after mailing, if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, and addressed as follows:

If to Seller, to:

Fred Schlatter

Airview Estates, Inc.
10411 Forest Garden Lane
Louisville, Kentucky 40223

If to the Buyer, to:

Martin Cogan
1706 Bardstown Road
Louisville, Kentucky 40205

Any party may change its address for the purpose of this Section 8.02 by giving the other party written notice of its new address in the manner set forth above.

Section 8.03. Headings The article, section and paragraph headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement

Section 8.04. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement, and, in the event of an ambiguity, or, a question of intent or a need for interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

Section 8.05. Severability. If any provision of this Agreement is declared by any court or other governmental body to be null, void, or unenforceable, this Agreement shall be construed so that the provision at issue shall survive to the extent it is not so declared and that all of the other provisions of this Agreement shall remain in full force and effect.

Section 8.06. Entire Agreement. This Agreement contains the entire understanding between the parties to this Agreement with respect to the transactions contemplated by this Agreement and supersedes and replaces all prior and contemporaneous agreements and understandings, oral or written, with regard to those transactions. All exhibits to this Agreement are expressly made a part of this Agreement as fully as though completely set forth herein.

Section 8.07. Amendments; Waivers. This Agreement may be amended or modified, and any of the terms, covenants, representations, warranties, or conditions hereof may be waived, only by a written instrument executed by the parties to this Agreement, or in the case of a waiver, by the party waiving compliance.

Section 8.08. Governing Law, Jurisdiction. This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the Commonwealth of Kentucky (without giving effect to the principles of conflicts of laws thereof). The parties to this Agreement irrevocably agree and consent to the jurisdiction of the courts of the Commonwealth of Kentucky for the adjudication of any matters arising under or in connection with this Agreement.

Section 8.09. Survival of Representations and Warranties. All representations, warranties and

covenants by any party to this Agreement contained in this Agreement or in any certificate or other instrument delivered by or on behalf of any party pursuant to this Agreement shall be continuous and shall survive the closing.

Section 8.10. Counter Parts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall together constitute the same instrument.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement effected as of the date first above written.

'SELLER'

AIRVIEW ESTATES, INC.

By: 

Date and Title: FRES

"BUYER"

ELIZABETHTOWN UTILITIES, INC.

By: 

Date and Title: Partum 1/7/2005

J-144178
A-144337

Commonwealth of Kentucky

OFFICE OF
SECRETARY OF STATE

FRANCES JONES MILLS
Secretary



FRANKFORT
KENTUCKY

CERTIFICATE OF INCORPORATION

I, **FRANCES JONES MILLS**, *Secretary of State of the Commonwealth of Kentucky*, do hereby certify that *Articles of Incorporation of*

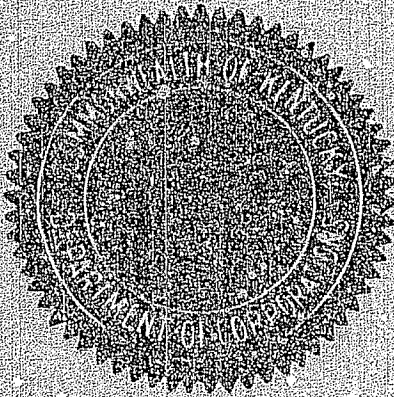
AIRVIEW ESTATES, INC.

whose initial agent for process is **FRED H. SCHLATTER**

7329 ST. ANDREWS CHURCH ROAD

and whose address is **LOUISVILLE, KENTUCKY**

duly signed according to law, have been filed in my office. I further certify that all taxes, fees and charges payable upon the filing of said Articles of Incorporation have been paid.



SECRETARY OF STATE

Given under my hand and seal of Office as Secretary of State, at Frankfort, Kentucky, this **1ST**
day of **FEBRUARY**, **19 80**

Frances Jones Mills
SECRETARY OF STATE

ASSISTANT SECRETARY OF STATE

ORIGINAL COPY FILED
SECRETARY OF STATE OF KENTUCKY
TRANSPORT FILE # 47

FEB 01 1980

[Signature]
SECRETARY OF STATE

ARTICLES OF INCORPORATION
OF
AIRVIEW ESTATES, INC.

SECRETARY OF STATE
RECEIVED
JAN 29 1980
COMMONWEALTH OF KENTUCKY
160537

KNOW ALL MEN BY THESE PRESENTS:

That Fred H. Schlatter, of Jefferson County, Kentucky, does hereby form a Corporation in accordance with the laws of the Commonwealth of Kentucky for the purposes set forth in the following Articles of Incorporation as follows:

ARTICLE I

The Name of the Corporation shall be:

AIRVIEW ESTATES, INC.

SECRETARY OF STATE
RECEIVED
FEB 01 1980
[Signature]
Commonwealth of Kentucky

ARTICLE II

The objects and purposes for which this Corporation is created are as follows, to-wit:

To purchase, lease and otherwise acquire real estate; to engage in the developing and improving of real estate by grading, draining, building of streets and installation of utilities; to engage in building, erecting and improving all types of buildings and structures; to exchange, rent, option, mortgage, sell and convey real estate; to subdivide real estate; to purchase, lease or otherwise acquire all kinds of personal property; to sell, mortgage, convey or otherwise dispose of all kinds of personal property; to engage in any and all enterprises incident to the business of developing, subdividing, and improving real estate and incident to the business of constructing and renting houses, apartment buildings, commercial buildings, condominiums and other structures; to sell, mortgage, lease or otherwise dispose of or deal in mining claims, mineral rights or surface rights; to own, operate, lease, sublease or option any business enterprises or utility that may be necessary or advantageous to this Corporation.

The foregoing enumeration of powers shall not be considered as limitation, but rather as enlargement of the powers of this Corporation generally, and said powers shall be deemed and construed to be conferred in addition to those powers granted by law to the Corporation as such, and this Corporation, in addition to these specific powers aforementioned shall have all general powers reasonably necessary to effect the successful conduct of its business.

ARTICLE III

The duration of this Corporation shall be perpetual, subject to its being

(dissolved in the manner provided by law.

ARTICLE IV

The address of the Corporation is 7329 St. Andrews Church Road, Louisville, Jefferson County, Kentucky. The Corporation's resident agent is Fred H. Schlatter, of 7329 St. Andrews Church Road, Louisville, Jefferson County, Kentucky.

ARTICLE V

The total number of shares which the Corporation is authorized to issue is One Thousand (1000) shares of common stock, of par value of \$100.00 each, making a total authorized Capital Stock of One Hundred Thousand Dollars (\$100,000.00). Each share shall have equal and full voting rights.

ARTICLE VI

There shall be one class of shares and it shall be common.

ARTICLE VII

The amount of paid in capital with which this Corporation will begin business is One Thousand Dollars (\$1,000.00).

ARTICLE VIII

The name, address and number of shares subscribed by each of the Incorporators is as follows:

NAME	ADDRESS	NO. OF SHARES
Fred H. Schlatter	7329 St. Andrews Church Road Louisville, Kentucky	10

ARTICLE IX

The Incorporator shall have the pre-emptive right to purchase shares of the Corporation as issued, Treasury Shares and shares offered for sale.

ARTICLE X

Until the first meeting of the shareholders, two directors shall serve, namely Fred H. Schlatter and Ruby Schlatter, both of 7329 St. Andrews Church Road, Louisville, Kentucky; and thereafter the number of persons to constitute the Board of Directors shall be not less than two nor more than five, the exact number to be fixed by any special meeting of shareholders called for the purpose of electing directors or at any annual meeting of shareholders at which directors are elected.

ARTICLE XI

The Board of Directors, following the shareholders meeting, shall elect a President and a Secretary-Treasurer. These two officers shall hold office

for a period of one year or until their successors are elected and qualify.

ARTICLE XII

The Board of Directors shall have the power to make By-laws and Rules to regulate the business of the Corporation, and such regulations concerning the transfer of Capital Stock as will not be inconsistent with the provisions of these Articles or the laws of the State of Kentucky. Provided, however, that any restrictions or limitations that may be placed on the transfer of said capital stock shall be fully set forth, or referred to, on the certificate of stock itself.

ARTICLE XIII

The private property of the stockholders shall not be subject to the payment of the debts of the Corporation to any extent whatever.

IN TESTIMONY WHEREOF, witness the signature of the Incorporator this 24th day of Jan., 1980.

Fred H. Schlatter
FRED H. SCHLATTER

STATE OF KENTUCKY)
COUNTY OF JEFFERSON) SS

The foregoing instrument was acknowledged before me this 24th day of January, 1980 by Fred H. Schlatter.

Witness my signature this 24th day of January, 1980.

My commission expires Feb 24 1980.

I hereby certify that this instrument was prepared by:
Arthur W. Howard
ARTHUR W. HOWARD, Attorney
237 South Fifth Street
Louisville, Kentucky 40202

Donald B. [Signature]
Notary Public, Jefferson County, Kentucky

**ARTICLES OF ORGANIZATION
OF
ELIZABETHTOWN UTILITIES, LLC**

The undersigned organizer, desiring to form a Limited Liability Company under the Kentucky Limited Liability Company Act hereby states as follows:

ARTICLE I

The name of the Limited Liability Company is Elizabethtown Utilities, LLC.

ARTICLE II

The name and address of the original registered agent is Robert C. Moore, 415 West Main Street, P.O. Box 676, Frankfort, Kentucky 40602-0676.

ARTICLE III

The mailing address of the initial principle place of business of the Limited Liability Company is: 1706 Bardstown Road, Louisville, Kentucky, 40205.

ARTICLE IV

The Limited Liability Company has two members.

ARTICLE V

The Limited Liability Company is to be managed by its members.

ARTICLE VI

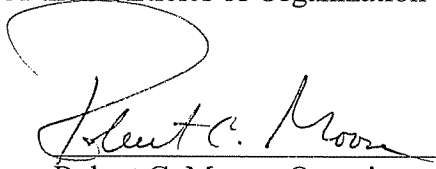
Unless earlier dissolved in accord with the Kentucky Limited Liability Company Act and the operating agreement of the Limited Liability Company, the duration of Elizabethtown Utilities, LLC, is perpetual.

ARTICLE VII

Except as otherwise provided by Kentucky law, no member, manager, agent or employee of the Limited Liability Company shall be personally liable for the debts, obligations, or liabilities of the Limited Liability Company, whether arising in contract, tort or otherwise, or for the acts or omissions of any other member, manager, agent or employee of the Limited Liability Company.

IN TESTIMONY WHEREOF, the undersigned has duly executed these Articles of Organization this 7th day of January, 2005.

IN TESTIMONY WHEREOF, the undersigned has duly executed these Articles of Organization
this 7th day of January, 2005.


Robert C. Moore, Organizer

STATE OF KENTUCKY)
)SS
COUNTY OF FRANKLIN)

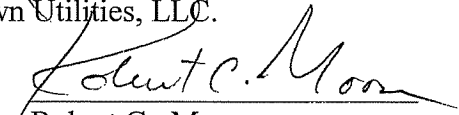
SWORN TO AND ACKNOWLEDGED before me this 7th day of January, 2005, by
Robert C. Moore, organizer.

My commission expires Feb 26, 2008.


NOTARY PUBLIC

CONSENT OF INITIAL REGISTERED AGENT FOR SERVICE OF PROCESS

I, Robert C. Moore, registered agent, having a principle place of business of 415 West Main
Street, P.O. Box 676, Frankfort, Kentucky 40602-0676, hereby agree and consent to serve as
registered officer and agent for service of process of Elizabethtown Utilities, LLC.


Robert C. Moore

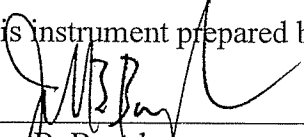
STATE OF KENTUCKY)
)SS
COUNTY OF FRANKLIN)

SWORN TO AND ACKNOWLEDGED before me this 7th day of January, 2005, by
Robert C. Moore.

My commission expires Feb 26, 2008.


NOTARY PUBLIC

This instrument prepared by:



John B. Baughman
Hazelrigg & Cox, LLP
415 West Main Street
P.O. Box 676
Frankfort, Kentucky 40602-0676