COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF J. SOLOMON AND SON,) INC. TO TRANSFER OAK GLEN ESTATES SEWER) CASE NO. TREATMENT FACILITY TO THE LONE OAK) 89-233 SANITATION DISTRICT NO. 2)

ORDER

On August 22, 1989, J. Solomon and Son, Inc. ("J. Solomon"), an Illinois corporation doing business as Oak Glen Estates ("Oak Glen"), filed an application requesting Commission approval to transfer all sewer collection lines located in Oak Glen Estates Subdivision to the Lone Oak Sanitation District No. 2 ("Lone Oak") in McCracken County, Kentucky. The application also requests approval to discontinue the operation of the Oak Glen treatment facility. This Order grants the approval requested.

In January of 1984, Lone Oak informed J. Solomon by letter that it was unable at that time to accept the waste from J. Solomon's proposed development. Lone Oak stated that it would therefore not object to the installation of a privately owned and operated system to serve the proposed Oak Glen Estates Subdivision, provided that when and if Lone Oak had the capacity to accept the collection lines for ownership, operation, and maintenance, the treatment plant would be abandoned and the collection system tied into Lone Oak's existing lines, with all costs borne by J. Solomon or the property owners. Lone Oak stated that it would require this agreement to be included by J. Solomon in the property owners' deeds, and the agreement was so recorded in each deed.

On June 12, 1989, Lone Oak and J. Solomon entered into an Agreement and Deed of Easement whereby J. Solomon agreed to bear the costs of abandoning the subdivision treatment facility and to construct a new gravity main to Lone Oak's facility. J. Solomon further agreed to transfer all of its title and interest in the sewer lines and appurtenances of Oak Glen to Lone Oak.

After review of the evidence of record and being sufficiently advised, the Commission finds that:

1. Lone Oak has the financial, technical, and managerial abilities to provide reasonable service to the customers of Oak Glen.

2. The Kentucky Department of Environmental Protection, Division of Waste Management, has approved the closure of the Oak Glen wastewater treatment lagoon per the plans and specifications submitted by the applicants.

3. The customers of Lone Oak were notified on June 27, 1989 of the imminent tie-on to Lone Oak and the accompanying change in rates.

4. The proposed transfer of Oak Glen's collection lines to Lone Oak is consistent with the requirements of KRS 278.020(4)(5) and should be approved.

-2-

IT IS THEREFORE ORDERED that:

1. The proposed transfer of Oak Glen's sewer collection lines and appurtenances is hereby approved.

2. The proposed abandonment of the Oak Glen wastewater treatment facility is hereby approved.

Done at Frankfort, Kentucky, this 5th day of October, 1989.

PUBLIC SERVICE COMMISSION

Chairman

ATTEST:

Executive Director