

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TRANSFER OWNERSHIP OF CENTER)	
RIDGE WATER SYSTEM TO CENTER)	CASE NO. 2001-164
RIDGE WATER DISTRICT, INC.)	

ORDER

On June 22, 2000, Center Ridge Water District, Inc. ("CRWD, Inc.") submitted an application to the Commission for approval to transfer ownership and control of Center Ridge Water System ("Center Ridge") to CRWD, Inc. The application was rejected pursuant to Commission Regulation 807 KAR 5:001, Section 2 for its failure to meet the initial filing requirements. All deficiencies were cured and the application filed on June 11, 2001.

CRWD, Inc., the applicant herein, is a corporation organized and existing under the laws of the Commonwealth of Kentucky having been incorporated by William Duncan on May 1, 2000. The Cabinet for Natural Resources and Environmental Protection has certified Mr. Duncan as a Class I-BD water treatment plant operator.

Thomas Holderby and Hazel Holderby, the owners of Center Ridge, entered into a Purchase and Sales Agreement with CRWD, Inc. in May 2000 wherein they agreed to transfer the property for \$20,000. Mr. Duncan states that he has been running the plant for the past year and that Mr. Holderby had a stroke in June 2000 that prohibits him from operating the plant.

Center Ridge is a facility used for and in connection with the distribution and furnishing of water to and for the public for compensation and, as such, is a utility subject to Commission jurisdiction pursuant to KRS 278.010(3)(f). Therefore, the Commission finds that KRS 278.020(4) and (5) apply to the transaction proposed in the application and that Commission approval is required. KRS 278.020(4) provides that the Commission must approve the transfer if the person acquiring the utility has the financial, technical, and managerial abilities to provide reasonable service. KRS 278.020(5) provides that the Commission shall approve the transfer if it finds that the transfer is in accordance with the law, is for a proper purpose and is consistent with the public interest.

Based on the evidence of record, the Commission finds the transfer of Center Ridge to CRWD, Inc. to be in accordance with the law, for a proper purpose, and consistent with KRS 278.020(4) and (5).

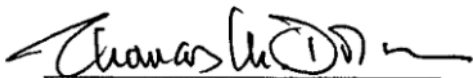
IT IS THEREFORE ORDERED that:

1. The proposed transfer of ownership and control of Center Ridge is approved.
2. CRWD, Inc. shall maintain its accounting records in accordance with the UsaA.
3. Within 10 days of the completion of the transfer, CRWD, Inc. shall file with the Commission an adoption notice, conforming to the requirements of Administrative Regulation 807 KAR 5:011, Section 11.

Done at Frankfort, Kentucky, this 2nd day of August, 2001.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Charles H. [unclear]", written over a horizontal line.

Executive Director