

COMMONWEALTH OF KENTUCKY

BEFORE THE UTILITY REGULATORY COMMISSION

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In the Matter of:

THE APPLICATION OF WATER GAP-BULL CREEK)
WATER DISTRICT, FLOYD COUNTY, KENTUCKY,)
FOR APPROVAL AND AUTHORIZATION OF ITS)
PROPOSED SALE AND CONVEYANCE OF ALL OF)
ITS WATER SYSTEM PROPERTIES, ASSETS AND)
FUNDS TO THE CITY OF PRESTONSBURG,)
KENTUCKY,)

CASE NO. 8032

WITH

THE CITY OF PRESTONSBURG, KENTUCKY,)
JOINING AS A PARTY HERETO ONLY FOR)
THE SPECIAL PURPOSES STATED)

O R D E R

On November 12, 1980, Water Gap-Bull Creek Water District (District), filed its petition to sell all of its water system properties, assets and funds to the City of Prestonsburg, Kentucky (City), a Kentucky municipal corporation of the Fourth Class pursuant to KRS 81.010(4). In return the City will issue its Revenue Bonds, Series 1980 B to FmHA in exchange for the outstanding bonds of the District which the City will forthwith cancel in proper fashion and deliver to the District, or as the District may direct.

The matter was set for public hearing at the Commission's offices in Frankfort, Kentucky, on January 7, 1980, by Order entered November 20, 1980, All parties of interest were notified with no protests being entered. The hearing was held as scheduled and the matter is now considered to be full submitted for final determination by the Commission.

FINDINGS IN THIS MATTER

The Commission after consideration of the evidence of record and being advised is of the opinion and finds:

1. That it is in the best interest of the customers of the District, in order to maintain the highest and best quality of service, for the City to purchase and operate the Water Gap-Bull Creek Water District.

2. That a written sales contract was made and entered into, by and between the District the City and FmHA on the first day of October, 1980, in which the District agreed to sell and the City to buy all water system properties, assets and funds of the District.

3. That the City is ready willing and able to provide adequate water service to the customers presently being served by the District.

4. That the sale of the District to the City will have no effect on the rates of the consumers of the District.

5. That the requirement for the District to file an Annual Report, as set out in 807 KAR 25:020(3), should be waived.

ORDERS IN THIS MATTER

The Commission, on the basis of the findings hereinbefore set forth and the evidence of record in this matter:

HEREBY ORDERS that the District be and is hereby authorized to sell all of its water system properties, assets and funds to the City in accordance with the terms set forth in the sales contract entered into by the District, the City and FmHA dated October 1, 1980.

IT IS FURTHER ORDERED that the requirement for the District to file an Annual Report, as set out in 807 KAR 25:020(3) be and hereby is waived.

Done at Frankfort, Kentucky, this 27th day of February, 1981.

UTILITY REGULATORY COMMISSION

Chairman

Vice Chairman

Commissioner

ATTEST:

Secretary