

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE JOINT APPLICATION OF THE DREES )  
COMPANY AND MCKNIGHT UTILITIES, INC., )  
TO SELL AND PURCHASE RESPECTIVELY ) CASE NO. 8198  
THE ASSETS OF THE DREES COMPANY )

O R D E R

On March 25, 1981, McKnight Utilities, Inc., ("Purchaser") and the Drees Company ("Seller") filed a joint application requesting Commission approval of the conveyance of a 270,000 gallons per day ("GPD") sewage treatment plant and collecting sewers serving the Oak Brook Subdivision, Boone County, Kentucky. These facilities are those addressed by order of this Commission entered November 13, 1979, in Case Number 7585. Finding number five of that order required the filing of the joint application in this case and is hereby quoted for reference:

5. The record further indicates that upon completion of construction and installation, the Drees Company plans to convey all of its right, title and interest in the sewage treatment plant to McKnight Utilities, Inc., who will thereafter assume all of the assets and liabilities associated with the ownership, operation and maintenance of said sewage facilities. The Commission is of the opinion that the proposed conveyance of the said facilities to McKnight Utilities, Inc., is in the public interest and should be approved; but not, however, without further appropriate actions on the part of the Applicant and McKnight Utilities, Inc., to obtain final approval for the said conveyance from this Commission.

A hearing was held on October 6, 1981, at the offices of the Public Service Commission at Frankfort, Kentucky. All parties of interest were allowed to be heard, and no protests were entered.

All requested documents and information have been filed, and the matter is now submitted for final determination.

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

1. The Seller is ready, willing and able to sell and the Purchaser is ready, willing and able to purchase the 270,000 GPD treatment plant and collecting sewers as proposed in the application.

2. The cost of constructing the facilities proposed for conveyance is being recouped by Seller in the selling price of developed lots. The Purchaser of this contributed property has agreed to assume the assets and liabilities associated with the ownership, operation and maintenance of the property as the primary condition of conveyance and to pay a nominal fee of \$1.00 to the Seller.

3. The Purchaser, has been responsible for sewage utility operations and services for the Oak Brook Subdivision since operation were begun. The proposed conveyance should not adversely affect these operations and services. Further, the conveyance is in the public interest and should be approved.

4. The Seller should file with this Commission the appropriate journal entries effecting the sale of the 270,000 GPD treatment plant and collecting sewers.

5. The Purchaser should file with this Commission the appropriate journal entries effecting the purchase of the 270,000 GPD treatment plant and collecting sewers.

6. The Purchaser should maintain separate operating records for each sewage system it owns and operates in accordance with this Commission's Uniform System of Accounts for Sewer Utilities.

7. The rates now in effect under authority of this Commission by order entered November 20, 1978, in Case Number 7289, should remain in effect for sewage utility services rendered by the Purchaser. Further, the Purchaser should, within 30 days of the date of this order, file with this Commission a notice of the adoption of these rates.

IT IS THEREFORE ORDERED that the conveyance proposed in the application filed March 25, 1981, be and it hereby is approved.

IT IS FURTHER ORDERED that the Seller shall file with this Commission the appropriate journal entries effecting the sale herein approved within 30 days of the date of this order.

IT IS FURTHER ORDERED that the Purchaser shall file with this Commission the appropriate journal entries effecting the purchase herein approved within 30 days of the date of this order.

IT IS FURTHER ORDERED that the Purchaser shall adopt the rates now in effect under authority of this Commission by order entered November 20, 1978, in Case Number 7289.

IT IS FURTHER ORDERED that the Purchaser shall file notice of the adoption of these rates with this Commission within 30 days of the date of this order. Further, the Purchaser shall file rules and regulations for providing sewage disposal services to the Oak Brook Subdivision within 30 days of the date of this order.

Done at Frankfort, Kentucky, this 9th day of March, 1982.

PUBLIC SERVICE COMMISSION

Merlin M. Vohs  
Chairman

Katharine Randall  
Vice Chairman

Sam Caruga  
Commissioner

ATTEST:

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Secretary