

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

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

ORDER TO SHOW CAUSE

On March 9, 1982, this Commission approved the sale by the Drees Company of a 270,000-gallon per day sewage treatment plant, with appurtenant collection lines, to McKnight Utilities, Inc. These sewerage facilities serve the Oak Brook Subdivision in Boone County, Kentucky. Ordering paragraphs numbers two and three of our March 9, 1982, Order stated as follows:

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.

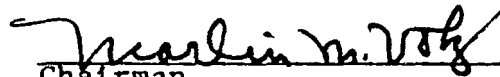
To date, neither the Seller (Drees Company) nor the Purchaser (McKnight Utilities) has filed the required journal entries. Moreover, the Commission has been informed that the parties have never actually consummated the sale and transfer of the sewerage system.

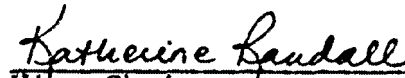
On July 26, 1982, Union Light, Heat and Power Company terminated electrical service to the sewage treatment plant for non-payment of electric bills. Union Light alleges that the sewer utility is approximately \$7,000 in arrears for the electrical service it has received. The lack of electricity for operation of the plant may result in pollution of streams posing a health hazard to residents in the vicinity.

Based upon the foregoing facts and being advised, the Commission HEREBY ORDERS that the Drees Company and McKnight Utilities, Inc., shall appear at the Commission's offices in Frankfort, Kentucky, on August 5, 1982, at 10:00 A.M., E.D.T. to show cause, if any they can, why our Order of March 9, 1982, giving tentative approval of the sale and transfer of this sewer utility, should not be rescinded.

Done at Frankfort, Kentucky, this 28th day of July, 1982.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary