

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| 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 CLARIFYING SCOPE OF HEARING

On August 5, 1982, counsel for the Drees Company filed a motion requesting clarification of the scope of the PSC's hearing in this matter now scheduled for August 10, 1982. The Drees Company also requested that the Commission issue subpoenas duces tecum to McKnight Utilities, Inc., requiring it to produce at the hearing books and records relating to the operation of the sewage treatment utility and evidence of security deposits received from the utility's customers since it began operations.

Having considered the motion of the Drees Company and being advised, the Commission HEREBY ORDERS that the evidentiary hearing in this matter scheduled for August 10, 1982, at 1:30 p.m., E.D.T., shall encompass the following issues:

- (1) Has the sale and transfer of ownership of the sewage treatment plant from the Drees Company to McKnight Utilities, Inc., actually taken place?
- (2) Has McKnight Utilities, Inc., served as a satisfactory operator of the treatment plant since 1979?
- (3) If not, who should be certificated to operate this plant for the future?

- (4) Should this Commission invoke the provisions of the third party beneficiary agreement between McKnight Utilities, Inc., and the Citizens National Bank?
- (5) Who should be made accountable for the debts of the utility and for the amounts held as security deposits from the customers?

The hearing will cover these points, but will not necessarily be limited to them.

The COMMISSION FURTHER ORDERS that McKnight Utilities, Inc., shall bring with it to the hearing books and records relating to the operation of the sewage treatment plant since its inception, and evidence of security deposits received from the customers of the sewage treatment plant.

Done at Frankfort, Kentucky, this 5th day of August, 1982.

PUBLIC SERVICE COMMISSION

Marlin M. Vrbz
Chairman

Katherine Randall
Vice Chairman

Leo Carrigan
Commissioner

ATTEST:

Secretary