

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF BENEDICT SEWER)
COMPANY, INC., BOYLE COUNTY, KENTUCKY,)
FOR APPROVAL AND AUTHORIZATION OF ITS)
PROPOSED SALE AND CONVEYANCE OF ALL)
OF ITS SEWER SYSTEM PROPERTIES AND)
ASSETS TO THE CITY OF DANVILLE,)
KENTUCKY) CASE NO. 8391
WITH)
THE CITY OF DANVILLE, KENTUCKY, JOINING)
AS A PARTY HERETO FOR THE SPECIAL)
PURPOSES STATED)

O R D E R

On November 25, 1981, Benedict Sewer Company, Inc., ("Benedict") and the City of Danville ("Danville") filed a joint application with the Commission seeking approval of the sale of Benedict's sewer system properties and assets to Danville pursuant to the terms of a memorandum agreement entered into on October 30, 1981, by Benedict, Danville, and Clearview Water Company, Inc. ("Clearview"). The terms and conditions of this memorandum are set out in the copy thereof filed in this record as Benedict's Exhibit B.

A hearing was held on December 17, 1981, at the Commission's offices in Frankfort, Kentucky, with all parties of record in attendance.

COMMENTARY

Benedict, a privately-owned sewer company located in Danville, Kentucky, provides service to 322 customers within the city limits of Danville. Benedict and Clearview are sister companies in that they share common ownership. Clearview has filed a similar application with the Commission, Case No. 8392, which is incorporated herein by reference. Danville proposes to purchase Benedict and Clearview for a combined purchase price of \$200,000.

FINDINGS IN THIS MATTER

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

1. Danville is ready, willing and able to purchase and operate Benedict and to provide adequate and reliable service to the customers presently served by Benedict. Furthermore, Benedict is ready, willing and able to sell inasmuch as it wishes to divest itself of the ownership and operation of the sewage collection and treatment system.
2. The quality of service to the customers of Benedict will not suffer; Benedict will be part of Danville's existing system and will be operated by persons experienced in the operation and maintenance of sewage collection and treatment facilities.
3. The agreed-upon purchased price for the Benedict sewer system and the Clearview water system is \$200,000 as set out in the memorandum of agreement.
4. Danville will provide service to all customers currently served by Benedict at the same rates Danville charges its existing customers.

5. The customers presently served by Benedict will become customers of Danville and in any and all future rate adjustments by Danville they will be affected in the same manner as those customers currently served by Danville.

6. The sale of the properties and assets of the Benedict sewer system, from Benedict to Danville, pursuant to the terms and conditions of the memorandum of agreement entered into by Benedict, Clearview, and Danville on October 30, 1981, is in the public interest and should be approved.

7. Municipally-owned sewer utilities are not subject to the regulatory jurisdiction of this Commission; therefore, consummation of the proposed sale will result in the termination of this Commission's jurisdiction over the facilities now owned by Benedict.

ORDERS IN THIS MATTER

The Commission, on the basis of the evidence of record and the findings herein set forth:

HEREBY ORDERS that the sale, from Benedict to Danville, of the Benedict sewer system is hereby approved and authorized.

IT IS FURTHER ORDERED that the consummation of the sale approved herein shall result in the termination of this Commission's jurisdiction over the Benedict sewer system.

Done at Frankfort, Kentucky, this 30th day of December, 1981.

PUBLIC SERVICE COMMISSION

Martin M. Woff
Chairman

Katharine Landall
Vice Chairman

Art Carrigan
Commissioner

ATTEST:

Secretary