

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

A JOINT APPLICATION OF THE CITY)
OF MAYSVILLE, KENTUCKY, A MUNICIPAL)
CORPORATION OF THE THIRD CLASS SIT-)
UATED IN MASON COUNTY, KENTUCKY,)
AND KENTON STATION WATER ASSOCIATION,)
INC., A REGULATED UTILITY, THAT THE) CASE NO. 8409
PUBLIC SERVICE COMMISSION OF KENTUCKY)
APPROVE THE SALE OF SAID ASSOCIATION)
AND THE PURCHASE BY SAID CITY OF THE)
WATER WORKS AND WATER DISTRIBUTION)
SYSTEM OWNED AND OPERATED BY SAID)
ASSOCIATION ADJACENT TO THE CITY OF)
MAYSVILLE, KENTUCKY)

O R D E R

On December 14, 1981, the City of Maysville ("Maysville"), Mason County, Kentucky, a municipal corporation of the third class, and the Kenton Station Water Association ("Kenton Station"), a water association created and existing under Chapter 273 of the Kentucky Revised Statutes, filed a joint application seeking the Commission's approval of the sale of Kenton Station's water system to Maysville and the approval of the dissolution of the association pursuant to a "Contract of Sale and Purchase" executed October 1, 1981, by Maysville and Kenton Station. The terms and conditions of the contract are delineated in the executed copy filed in this record.

Kenton Station purchases water from the Washington-Lewisburg Water District for resale to approximately 17 residential customers located in the suburbs adjacent to the city of Maysville.

Kenton Station has been in operation since 1971 following completion of its initial construction financed by FmHA. The initial long-term debt of \$17,866 has been reduced to \$14,638 as of December 31, 1981.

A hearing was held at the Commission's offices in Frankfort, Kentucky, on February 17, 1982. At the conclusion of the hearing and following responses to all requests for additional information, the matter was submitted for final determination.

FINDINGS IN THIS MATTER

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

1. The public interest will be better served in this instance by combining the two contiguous water systems into one water system in that certain economies should be realized in the management, maintenance and operation of one system for the customers now served by the two systems.

2. Maysville is ready, willing and able to purchase and operate the Kenton Station water system and to provide adequate and reliable water service to the customers presently served by Kenton Station. Further, Maysville should continue to employ such persons as are knowledgeable and experienced for adequate and efficient operation of the combined water systems.

3. The agreed-upon purchase price is the assumption of the FmHA loan by Maysville. Further, Kenton Station is not obligated to pay any fees, commissions, or other costs in connection with the sale of its water system to Maysville.

4. The terms and conditions of the sale and purchase contract as executed October 1, 1981, by Maysville and Kenton Station should be approved by this Commission.

5. Maysville will charge the customers now served by Kenton Station the same water rates as the customers of Maysville's water system.

ORDERS IN THIS MATTER

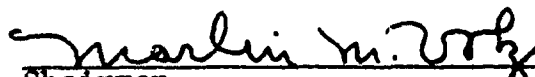
The Commission, on the basis of the findings hereinbefore set forth and the evidentiary record in this matter:


HEREBY ORDERS that the Contract for Sale and Purchase, executed October 1, 1981, and filed December 14, 1981, with this Commission be and it is hereby approved.


IT IS FURTHER ORDERED that the consummation of the Contract of Sale and Purchase approved herein shall effect the termination of this Commission's jurisdiction over the water system formerly owned by Kenton Station.

Done at Frankfort, Kentucky, this 24th day of March, 1982.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary