

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of:

APPLICATION OF WESTPORT UTILITIES,)
INC., FOR AUTHORITY TO ACQUIRE AND)
OPERATE THE SEWAGE TREATMENT PLANT) CASE NO. 8460
OWNED BY ROLLING HILLS SERVICE)
COMPANY)

O R D E R

IT IS ORDERED that Westport Utilities, Inc., shall file an original and six copies of the following information with this Commission by March 30, 1982.

(1) An income statement and balance sheet for Rolling Hills Service Company dated within 90 days of the application. If said financial exhibits reflect accounting transactions relevant to the stock purchase agreement, provide an additional balance sheet dated prior to the inclusion of such accounting transactions.

(2) An income statement and balance sheet for Westport Utilities, Inc., dated within 90 days of the application.

(3) Beginning with applicable responses to items 1 and 2, provide the proposed journal entries to consummate the stock purchase agreement reflecting all entries necessary to close and open the respective books of record to achieve the response to item 4.

(4) An estimated pro forma balance sheet subsequent to the consummation of the stock purchase agreement.

(5) A narrative in such detail as to describe the form of business combination merger proposed, the method of arranging said business combination and the method of accounting for said business combination. What other methods were considered? Is this method in accordance with generally accepted accounting principles? Why was the particular method chosen? What are the advantages or disadvantages to the customers? To the stockholders?

(6) In item 8B on page 7 of the Stock Purchase Agreement there is language to indicate a change in the form of business combination after the payment of a loan owed to Portland Federal Savings and Loan Association. Answer item 5 as if this development has already occurred.

(7) Provide copies of any loan agreements of Rolling Hills Service Company prior to entering into the stock purchase agreement.

(8) Provide adequate documentation for the use of the funds obtained in the loans mentioned in item 7.

(9) Item 8B on page 7 of the Stock Purchase Agreement indicates a change in the form of financing available to Westport Utilities, Inc., after payment of the loan owed to Portland Federal Savings and Loan Association. Provide details of the future form of financing including the terms reached, i.e., principle amount, rate of interest, term, method secured, and installment amount.

(10) Has all plant in service constructed from contributions in aid of construction been recorded on the books of record of Rolling Hills Service Company? If not, provide an explanation

and the original or estimated original costs of plant in service not recorded on the books.

(11) Provide a detailed explanation as to the reasons for the transfer of Rolling Hills Sewer System to Westport Utilities, Inc.

Done at Frankfort, Kentucky, this 16th day of March, 1982.

PUBLIC SERVICE COMMISSION


By the Commission

ATTEST:

Secretary