

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LEXINGTON-FAYETTE URBAN)	
COUNTY GOVERNMENT FOR AUTHORITY TO)	
ACQUIRE AND OPERATE THE SEWAGE TREAT-)	CASE NO.
MENT PLANT OPERATED BY BLUE GRASS)	8892
DISPOSAL CORPORATION, IN FAYETTE)	
COUNTY, KENTUCKY)	

O R D E R

On August 31, 1983, a joint application was filed by the Lexington-Fayette Urban County Government ("Lexington") and the Blue Grass Disposal Corporation ("Blue Grass") requesting approval of the acquisition and operation by Lexington of the Blue Grass sewage collection system and wastewater treatment plant.

Based on the evidence of record and being advised, the Commission is of the opinion and hereby finds that:

1. The shareholders of Blue Grass desire to transfer by sale and donation 100 percent of the outstanding stock of Blue Grass to Lexington and Lexington desires to acquire by purchase and gift 100 percent of the outstanding stock of Blue Grass.

2. On July 25, 1983, Lexington and Blue Grass signed an acquisition agreement setting forth the rights, responsibilities and obligations of the parties with respect to the transfer of Blue Grass stock to Lexington.

3. On October 19, 1978, the Commission issued an Order in Case No. 6871, The Complaint of Mr. Cobern Ott and Others Against the Blue Grass Disposal Company, and in Case No. 6991, An Adjustment of Rates of Blue Grass Disposal Corporation, requiring Blue Grass to establish a reserve fund to accumulate funds to replace short-lived plant and equipment that had been contributed.

4. The Commission relieved Blue Grass from its obligation to establish and fund a reserve fund by Order dated April 25, 1980, in Case No. 7502, An Adjustment of Rates of Blue Grass Disposal Corporation.

5. Lexington has a Division of Sanitary Sewers which operates and maintains two wastewater treatment plants serving over 48,000 customers.

6. Lexington's Division of Sanitary Sewers employs qualified and certified wastewater treatment plant operators and other professional employees.

7. Lexington possesses the requisite expertise to own and operate Blue Grass and provide its customers adequate, efficient and reasonable service.

8. Blue Grass should file with the Commission its 1983 Annual Report for the period January 1, 1983, through the date of transfer to Lexington.

IT IS THEREFORE ORDERED that the transfer of ownership and operation of the Blue Grass sewage collection system and wastewater treatment plant to Lexington be and it hereby is approved.

IT IS FURTHER ORDERED that within 5 days subsequent to the stock transfer Blue Grass and Lexington shall file with the Commission a joint notice setting forth the transfer date.

IT IS FURTHER ORDERED that within 60 days of the stock transfer Blue Grass shall file with the Commission its 1983 Annual Report for the period January 1, 1983, through the date of transfer.

Done at Frankfort, Kentucky, this 14th day of November, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary