

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

A JOINT APPLICATION OF BRACKEN COUNTY)
WATER DISTRICT #1, A REGULATED UTILITY,)
AND VALLEY HI UTILITY COMPANY, A REGU-)
LATED UTILITY AND A CORPORATION)
EXISTING UNDER KENTUCKY LAW, THAT THE)
PUBLIC SERVICE COMMISSION OF KENTUCKY)
APPROVE THE PURCHASE BY SAID DISTRICT)
OF THE WATER WORKS AND WATER DISTRI-)
BUTION SYSTEM OWNED AND OPERATED BY)
SAID COMPANY ADJACENT TO SAID DISTRICT)

CASE NO. 9281

O R D E R

On February 22, 1985, Valley Hi Utility Company ("Valley Hi") and Bracken County Water District No. 1 ("Bracken") filed a joint application with the Commission seeking approval of the transfer of the Valley Hi water distribution system from Valley Hi to Bracken pursuant to a contract of sale entered into on December 31, 1984, by Valley Hi and Bracken. The contract was filed as Exhibit A to the application.

COMMENTARY

Valley Hi is a privately-owned water distribution company serving a total of 18 residential customers in the Valley Hi, Valley Hills and Taylor Hills subdivisions in Bracken County, Kentucky. Bracken is a non-profit water utility providing service to 555 customers in Bracken County, Kentucky. Valley Hi is presently a wholesale customer of Bracken.

FINDINGS

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

1. Bracken is ready, willing and able to purchase, operate and maintain the water distribution system owned by Valley Hi and to provide adequate and reliable service to the customers presently served by Valley Hi. Furthermore, Valley Hi is ready, willing and able to sell as it desires to divest itself of the ownership and operation of the water distribution system.

2. The quality of service to the present customers of Valley Hi will not suffer; Bracken will continue to employ persons experienced in the operation of waterworks systems and will operate in accordance with recognized and established standards and practices.

3. The agreed-upon purchase price is \$5,000 which is the approximate book value of the Valley Hi water system.

4. Bracken will provide service to the customers acquired from the Valley Hi system at the rates being charged Bracken's present customers.

5. Bracken should record the acquisition of the assets of Valley Hi in accordance with the Uniform System of Accounts for Class C Water Utilities prescribed by the National Association of Regulatory Utility Commissioners and adopted by this Commission.

6. The transfer of the Valley Hi water distribution system from Valley Hi to Bracken in accordance with the terms and conditions of the contract of sale entered into by Valley Hi and

Bracken on December 31, 1984, is in the public interest and should be approved.

ORDERS

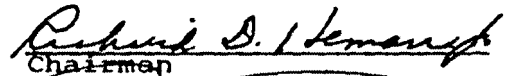
The Commission, on the basis of the evidence of record and the findings herein, HEREBY ORDERS that the transfer of the Valley Hi water distribution system from Valley Hi to Bracken is hereby approved and authorized.

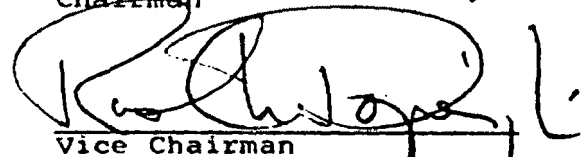
IT IS FURTHER ORDERED that Bracken will provide service to the customers acquired from Valley Hi at the existing rates being charged to Bracken's present customers.

IT IS FURTHER ORDERED that Bracken should record the acquisition of the assets of Valley Hi in accordance with the provisions of Finding No. 6 herein.

Done at Frankfort, Kentucky, this 10th day of April, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary