

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF PARKWAY WATER ASSOCIATION,)
INC., FLOYD COUNTY, KENTUCKY, FOR APPROVAL)
AND AUTHORIZATION OF ITS PROPOSED SALE AND)
CONVEYANCE OF ALL OF ITS WATER SYSTEM)
PROPERTIES, ASSETS AND FUNDS TO THE CITY)
OF PRESTONSBURG, KENTUCKY)

) CASE NO. 9717

WITH)

THE CITY OF PRESTONSBURG, KENTUCKY, JOINING)
AS A PARTY HERETO ONLY FOR THE SPECIAL)
PURPOSES STATED)

O R D E R

On October 16, 1986, Parkway Water Association, Inc., ("Parkway") and the City of Prestonsburg, Kentucky, filed an application for approval to transfer all of Parkway's assets to Prestonsburg. The terms of the transfer were set out in a contract to be entered into by the parties and the Farmers Home Administration.

The Commission has reviewed the contract as well as the financial, technical, and managerial abilities of Prestonsburg and is of the opinion that Prestonsburg is ready, willing, and able to operate the facilities owned by Parkway. The Commission acknowledges that Prestonsburg owns and operates a consolidated water, sewer, and natural gas system and will be able to supply adequate water service to the area served by Parkway.


Thus, the Commission should approve the transfer of Parkway's assets to Prestonsburg.

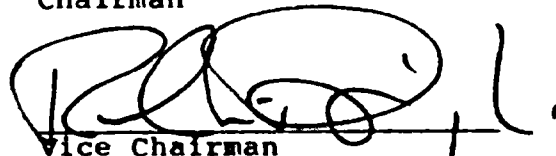
IT IS THEREFORE ORDERED that:

1. The transfer of assets of Parkway to Prestonsburg be and it hereby is approved.
2. Parkway shall have the responsibility of filing with the Public Service Commission an Annual Report for 1986.
3. The parties shall file a copy of their executed contract containing the terms of transfer.

Done at Frankfort, Kentucky, this 27th day of January, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director