

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| AN INVESTIGATION INTO THE ALLEGED |) | |
| VIOLATIONS OF KRS CHAPTER 278 BY |) | CASE NO. |
| SANICO, INC. |) | 10019 |

O R D E R

On September 2, 1987, the Commission ordered Sanico, Inc. ("Sanico") to show cause why it should not be penalized for its alleged violation of KRS 278.020(4). This action followed our receipt of a report prepared by Commission Staff, which alleged that Sanico had abandoned its sewage treatment facilities in Mason County, Kentucky. Shortly thereafter, Sanico petitioned for relief under Chapter 7 of the United States Bankruptcy Code. Concerned that Sanico's petition operated as a stay of this proceeding, the Commission continued this proceeding generally.

After Sanico's petition for relief was dismissed,¹ the Commission resumed this investigation and expanded its scope to include the financial and technical condition of Sanico's operation. The dissolution of Sanico's Certificate of Incorporation, the appointment of the city of Maysville ("Maysville") as receiver to operate Sanico's sewage treatment facilities, and the poor condition of those facilities raised

¹ In Re Sanico, Inc., No. 87-815 (Bankr.E.D. Ky. Dec. 6, 1989) (order dismissing case).

serious questions about quality and continuity of Sanico's service.

On July 13, 1990, Maysville and Sanico entered into an agreement whereby the sewage treatment facilities in question would be transferred to Maysville. Subsequently, Maysville sought and received Commission approval of such transfer.² With the transfer of ownership to an entity with the requisite abilities to provide reasonable utility service, the issues upon which the Commission intended to focus in this proceeding have been rendered moot.

IT IS THEREFORE ORDERED that this case be and it hereby is closed and shall be removed from the Commission's docket.

Done at Frankfort, Kentucky, this 2nd day of October, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

²

Case No. 90-265, Application of City of Maysville, Kentucky, for Authority to Acquire and Operate the Sewerage System of Sanico, Inc., in Maysville, Mason County, Kentucky, Order dated September 28, 1990.