

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A JOINT APPLICATION OF THE PAINTSVILLE )  
UTILITY COMMISSION, A POLITICAL SUBDIVI- )  
SION OF THE CITY OF PAINTSVILLE, KENTUCKY, )  
AND BIG SANDY WATER WORKS, INC., THAT THE ) CASE NO.  
PUBLIC SERVICE COMMISSION APPROVE THE ) 90-015  
TRANSFER OF BIG SANDY WATER WORKS, INC. )  
WATER DISTRIBUTION SYSTEM TO THE PAINTS- )  
VILLE UTILITY COMMISSION )

O R D E R

On January 24, 1990, the Paintsville Utility Commission ("Paintsville") and Big Sandy Water Works, Inc. ("Big Sandy") filed a joint application for approval of the proposed acquisition of Big Sandy's water distribution and metering system and all other assets by Paintsville ("Proposed Transaction"). Paintsville is a governmental unit of the City of Paintsville, a municipal corporation in Johnson County, Kentucky, and is not under the Public Service Commission's jurisdiction. Big Sandy provides water service to 410 customers in Johnson County, Kentucky.<sup>1</sup> This Order grants approval of the Proposed Transaction.

THE PROPOSED TRANSACTION

Paintsville will acquire 100 percent of the assets of Big Sandy by exercising an option to purchase the entire facilities of

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<sup>1</sup> Case No. 8014, The Application of Big Sandy Waterworks, Inc. for Approval of the Sale of Highlands Water Company.

Big Sandy. That option is contained in an agreement between Paintsville and Big Sandy dated June 21, 1989, whereby Paintsville agreed to manage Big Sandy's water system. A signed copy of that agreement was filed with the joint application. There will be no disruption of service by the Proposed Transaction.

APPLICABLE LAW

KRS 278.020(4) and (5) require the Commission's approval before Big Sandy can transfer its assets to Paintsville. The Commission finds that the Proposed Transaction will not work to the detriment of Big Sandy's customers. Paintsville, which has been managing the Big Sandy water system since June 21, 1989, has shown the financial, technical, and managerial capability to maintain reasonable service to Big Sandy's customers.

IT IS THEREFORE ORDERED that Paintsville's acquisition of Big Sandy's water distribution and metering system and all other of Big Sandy's assets shall be and hereby is approved. Paintsville is not under the Public Service Commission's jurisdiction pursuant to KRS 278.010(3) and therefore Big Sandy shall be removed from the Public Service Commission's records as an operating public utility.

Done at Frankfort, Kentucky, this 26th day of March, 1990.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director