

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE INVESTIGATION OF THE STATUS OF)
MCKINNEY WATER ASSOCIATION AND MCKINNEY) CASE NO. 91-058
WATER DISTRICT)

O R D E R

By Order issued August 6, 1986 in Case No. 9633,¹ this Commission approved the sale of McKinney Water Association to McKinney Water District. After review of current Commission records, it was discovered that the sale of the association to the district did not take place and that McKinney Water Association has not filed annual reports with the Commission for the years 1986 through 1989. The Commission then, by Order dated February 22, 1991, ordered that an informal conference be held to determine the status of McKinney Water Association and McKinney Water District. McKinney Water Association and McKinney Water District appeared at the informal conference with counsel and advised Commission Staff that the District continued to make strides toward merger but was having difficulty in identifying and completing procedural steps required by Farmers Home Administration ("FmHA"). Apparently a letter of conditions has

¹ Case No. 9633, The Joint Application of the McKinney Water District of Lincoln County, Kentucky and McKinney Water Association, Inc., of Lincoln County, Kentucky for Approval of Contract of Sale and Purchase Providing for the Purchase by Said District of the Waterworks System of Said Association Subject to Certain Existing Encumbrances Against Said System.

been received from FMHA and has been executed by the Chairman of McKinney Water District in order to complete the transaction. Counsel for the district and the association agreed to file a status report in this proceeding within two weeks of the date of the conference. A status report was received by the Commission on April 17, 1991 and reflects that the association and district continue to take steps to finance the merger and to acquire funds to extend water lines within the district.

After consideration of the matters of record and being otherwise sufficiently advised, the Commission finds that the district and association should be required to file monthly status reports with the Commission until such time as the merger has been completed. The first report should be filed by the utilities no later than the 15th day of each succeeding month.

IT IS THEREFORE ORDERED that McKinney Water Association and McKinney Water District shall file with the Commission, no later than the 15th day of each month until merger is completed, a status report detailing steps taken towards securing additional financing or otherwise completing the merger of the association's assets into the district.

Done at Frankfort, Kentucky, this 10th day of June, 1991.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director