

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AUTHORITY FOR THE JONATHAN CREEK WATER)	
ASSOCIATION TO TRANSFER ITS ASSETS TO THE)	
JONATHAN CREEK WATER DISTRICT AND)	CASE NO.
AUTHORITY FOR THE JONATHAN CREEK WATER)	92-300
DISTRICT TO ASSUME THE OBLIGATIONS OF THE)	
JONATHAN CREEK WATER ASSOCIATION)	

O R D E R

On August 4, 1992, Jonathan Creek Water Association ("Association") and Jonathan Creek Water District ("District") filed a joint application for approval of the transfer of the assets and obligations of the Association to the District.

The Association is a non-profit corporation operating a public water distribution system for domestic, commercial, and industrial use in the southeastern portion of Marshall County, Kentucky. The District was established pursuant to KRS 74.012 to acquire the assets of the Association and assume the Association's legal obligations.

The transfer will not be a financed transaction, instead the District agrees to assume all of the Association's obligations as consideration for the acquisition of the Association's property and franchise. The obligations to be assumed are promissory notes from the Farmers Home Administration in the original principle amount of \$1,468,000 secured by mortgage on the Association's real property. The loans have been assigned to the Shawnut Bank, NA as

trustee under a declaration of trust which is serviced by General Electric Credit Corporation as an agent of the Trust. General Electric Credit Corporation has consented to the Assumption Agreement between the applicants.

The officers and directors of the Association are the same as the officers and commissioners of the District and the operating personnel of the water system will not change after the transfer.

The Commission finds that the District's acquisition of the Association's assets and assumption of the Association's obligations will not interfere with or alter the daily operations of the utility. The District has the requisite financial, managerial, and technical abilities to provide reasonable service to the customers of the utility and the transfer is for a proper purpose and is consistent with the public interest.

IT IS THEREFORE ORDERED that:

1. The transfer of the water distribution system from Jonathan Creek Water Association to Jonathan Creek Water District is hereby approved.

2. In the event the transfer of the assets and obligations of the Association does not take place, District shall notify the Commission within 10 days that it will not be assuming ownership and control of the Association.

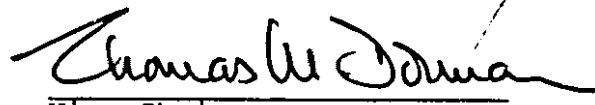
3. Within 30 days of closing, the District shall file a stamped copy of the deed of conveyance with the Commission.

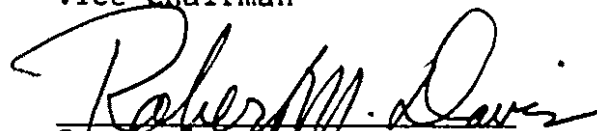
4. Within 30 days of the date of this Order, Jonathan Creek Water District shall file its adoption notice in accordance with 807 KAR 5:011, Section 11.

Done at Frankfort, Kentucky, this 27th day of August, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director