

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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|-------------------------------------|---|-----------------|
| APPLICATION OF KENTUCKY-AMERICAN |) | |
| WATER COMPANY TO ACQUIRE THE ASSETS |) | CASE NO. 95-234 |
| OF MARTIN T. LYNCH WATER |) | |

O R D E R

Kentucky-American Water Company ("Kentucky-American") has applied for approval of its proposed acquisition of the assets of Martin T. Lynch Water.

Having considered the application and being otherwise sufficiently advised, the Commission finds that:¹

1. Martin T. Lynch owns and operates a water distribution system which serves approximately 31 customers in Bourbon County, Kentucky.

2. Martin T. Lynch's water distribution system consists of approximately 1,340 feet of 4-inch class 160 PVC line, 6,110 feet of 3-inch class 160 PVC line, 3,240 feet of 2-inch class 160 PVC line, two 2-inch valves, 22 5/8-inch meters, two 1-inch meters, various meter boxes and other miscellaneous equipment.

3. Martin T. Lynch currently purchases its total water requirements from Kentucky-American.

¹ The Commission takes administrative notice of Kentucky-American's Annual Report for the calendar year ending December 31, 1994. Kentucky-American filed this report with the Commission on May 8, 1995.

4. Martin T. Lynch has agreed to transfer all assets of his water distribution system to Kentucky-American in return for payment of outstanding judgment liens against his property.

5. Kentucky-American owns and operates a water distribution system which serves approximately 83,416 customers in Bourbon, Fayette, Harrison, Jessamine, Scott, and Woodford counties, Kentucky.

6. Kentucky-American has been in continuous existence since 1882.

7. Kentucky-American has two water treatment plants with a total production capacity of 65 million gallons per day ("MGD"). These plants are operated by persons certified as operators of a Class IVA water treatment plant as set out in 401 KAR 8:030, Section 8(2)(g).

8. Kentucky-American has approximately 1271 miles of transmission and distribution mains which range in size up to 36 inches. It has treated storage capacity of 15.52 million gallons. These facilities are operated by persons certified as operators of a Class IVD water distribution system as set out in 401 KAR 8:030, Section 8(3)(d).

9. Kentucky-American pumped an average of 39.65 MGD in 1994.

10. As of December 31, 1994, Kentucky-American had total net utility plant of \$137,560,983.

11. As of December 31, 1994, Kentucky-American had total assets of \$144,941,200.

12. As of December 31, 1994, Kentucky-American had total equity capital of \$46,594,058 and other liabilities and credits of \$109,559,160.

13. Kentucky-American has the financial, managerial, and technical abilities to provide reasonable utility service to the persons whom Martin T. Lynch Water currently serves.

IT IS THEREFORE ORDERED that:

1. The transfer of Martin T. Lynch's water distribution system and other assets to Kentucky-American is approved.


2. Within 30 days of the transfer of legal title of Martin T. Lynch's water distribution system to Kentucky-American, Kentucky-American shall notify the Commission of that event.

3. Within 30 days of the transfer of legal title of Martin T. Lynch's water distribution system, Kentucky-American shall file with the Commission the journal entries recording the purchase.

4. Martin T. Lynch shall file an annual report for 1995 which reflects his operations until the transfer of his water distribution system to Kentucky-American.

Done at Frankfort, Kentucky, this 2nd day of August, 1995.

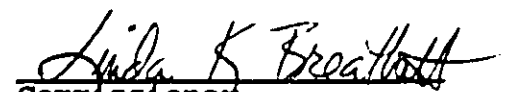
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner