

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF CLEARVIEW WATER)
COMPANY, INC., BOYLE COUNTY, KENTUCKY,)
FOR APPROVAL AND AUTHORIZATION OF ITS)
PROPOSED SALE AND CONVEYANCE OF ALL) CASE NO. 8392
OF ITS WATER SYSTEM PROPERTIES AND)
ASSETS TO THE CITY OF DANVILLE, KENTUCKY)

WITH

THE CITY OF DANVILLE, KENTUCKY, JOINING)
AS A PARTY HERETO FOR THE SPECIAL PURPOSES)
STATED)

O R D E R

On November 25, 1981, Clearview Water Company, Inc., ("Clearview") and the City of Danville ("Danville") filed a joint application with the Commission seeking approval of the sale of Clearview's water system properties and assets to Danville pursuant to the terms of a memorandum of agreement entered into on October 30, 1981, by Clearview, Danville, and Benedict Sewer Company, Inc. ("Benedict"). The terms and conditions of this memorandum are set out in the copy thereof filed in this record as Clearview's Exhibit B.

A hearing was held on December 17, 1981, at the Commission's offices in Frankfort, Kentucky, with all parties of record in attendance.

COMMENTARY

Clearview, a privately-owned water company located in Boyle County, Kentucky, distributes and sells water to 422 customers in and near the city limits of Danville, Kentucky. Clearview purchases its water from the City of Danville, Kentucky.

Clearview and Benedict are sister companies in that they share common ownership. Benedict has filed a similar application with the Commission, Case No. 8391, which is incorporated herein by reference. Danville proposes to purchase Clearview and Benedict for a combined purchase price of \$200,000.

FINDINGS IN THIS MATTER

This Commission, after consideration of the evidence of record and being advised, is of the opinion and finds that:

1. Danville is ready, willing and able to purchase and operate Clearview to provide adequate and reliable service to the customers presently served by Clearview. Furthermore, Clearview is ready, willing and able to sell inasmuch as it wishes to divest itself of the ownership and operation of the water distribution system.

2. The quality of service to the customers presently served by Clearview will not suffer; Clearview will be part of Danville's existing system and will be operated by persons experienced in the operation and maintenance of water distribution facilities.

3. The agreed-upon purchase price for the Clearview water system and the Benedict sewer system is \$200,000 as set out in the memorandum agreement.

4. Danville will provide water service to all customers currently served by Clearview, both inside and outside the Danville city limits.

5. Danville will provide service to the customers presently served by Clearview at Danville's current rates, which are substantially less than the rates currently charged by Clearview.

6. The customers presently served by Clearview will be served by Danville in the same manner as Danville's current customers; Danville will charge all customers the same rates, and any and all future rate adjustments will affect all customers in the same manner.

7. The sale of the properties and assets of the Clearview water system, from Clearview to Danville, pursuant to the terms and conditions of the memorandum of agreement, including the provisions regarding the refund and collection of customers' security deposits, is in the public interest and should be approved.

8. Municipally-owned water utilities are not subject to the regulatory jurisdiction of this Commission; therefore, consummation of the proposed sale will result in the termination of this Commission's jurisdiction over the facilities now owned by Clearview.

ORDERS IN THIS MATTER

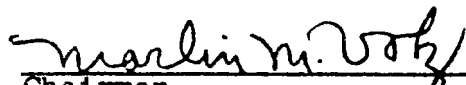
The Commission, on the basis of the evidence of record and the findings herein set forth:

HEREBY ORDERS that the sale, from Clearview to Danville, of the Clearview water system is hereby approved and authorized.


IT IS FURTHER ORDERED that the consummation of the sale approved herein shall result in the termination of this Commission's jurisdiction over the Clearview water system.

Done at Frankfort, Kentucky, this 30th day of December, 1981.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary