

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF TREE-LINE)
UTILITIES, INC., d/b/a TREE-LINE)
ESTATES SEWER SYSTEM AND BALDWIN)
UNITED MORTGAGE COMPANY, OWNER OF)
TREASURE ISLAND EAST SEWER SYSTEM FOR) CASE NO. 8934
APPROVAL; OF SALE AND PURCHASE OF)
ASSETS; A CERTIFICATE OF CONVENIENCE)
AND NECESSITY TO CONSTRUCT; TO ISSUE)
NOTES TO FINANCE CONSTRUCTION; AND)
APPROVAL OF INCREASE OF RATES)

O R D E R

On November 8, 1983, Tree-Line Utilities, Inc., d/b/a Tree-Line Estates Sewer System ("Tree-Line"), and Baldwin United Mortgage Company, owner of Treasure Island East Sewer System ("Treasure Island"), filed a joint application requesting approval of the sale of sewage utility assets by Treasure Island to Tree-Line. Tree-Line also requested authorization to adjust its rates, construct new facilities and issue notes to finance construction.

Based on the evidence of record and being advised, the Commission is of the opinion and finds that:

1. The application states that it is filed jointly on behalf of Tree-Line and Treasure Island but it contains only the signature of Tree-Line.

2. The Commission takes judicial notice of the fact that Baldwin United Mortgage Company has recently filed a petition under Chapter 11 of the Bankruptcy Act.

3. Exhibit A to the Application is a purchase and escrow agreement ("Agreement") dated February 1, 1982, setting forth the rights and obligations of Tree-Line and Treasure Island with respect to the sale of sewage treatment assets.

4. Section 4.02 of the Agreement requires Tree-Line and Treasure Island to "...obtain a declaration of rights from a court of competent jurisdiction that the Simpsons have no rights under said contract, which are enforceable against the parties hereto...."

5. Neither the application nor the exhibits attached thereto contain any explanation of who the Simpsons are, what rights, if any, they possess or the status of the judicial proceeding respecting such rights.

IT IS THEREFORE ORDERED that within 20 days of the date of this Order Baldwin United Mortgage Company shall file with the Commission a notice confirming its intent to sell Treasure Island in accordance with the allegations contained in the joint application filed on November 8, 1983.

IT IS FURTHER ORDERED that within 20 days of the date of this Order Tree-Line shall file an explanation of the facts underlying the inclusion of Section 4.02 in the Agreement and a report on the status of the judicial declaration of rights.

Done at Frankfort, Kentucky, this 1st day of December, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary