

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF AQUA CORPORATION,)	
KENTUCKY WATER SERVICE COMPANY, INC.,)	
AND CITY OF SOMERSET, KENTUCKY FOR:)	
(1) AUTHORITY FOR AQUA CORPORATION TO)	
ISSUE COMMON STOCK AND TO ASSUME)	
OBLIGATIONS TO MEET INDUSTRIAL REVENUE)	
BONDS DEBT SERVICE; (2) AUTHORITY FOR)	
AQUA CORPORATION TO ACQUIRE ALL OF THE)	
OUTSTANDING COMMON STOCK OF KENTUCKY)	
WATER SERVICE COMPANY INC.; (3) AUTHORITY)	CASE NO. 9231
FOR AQUA CORPORATION ITSELF IN SEQUENCE)	
TO PURCHASE THE CLINTON AND MIDDLESBORO)	
WATER DISTRIBUTION PLANTS AND ATTENDANT)	
ACCOUNTS FROM ITS THEN CONTROLLED)	
KENTUCKY WATER SERVICE COMPANY, INC.;)	
(4) AUTHORITY FOR AQUA CORPORATION TO)	
SELL ITS ONE HUNDRED PERCENT (100%))	
OF THE OUTSTANDING COMMON STOCK OF)	
KENTUCKY WATER SERVICE COMPANY, INC.)	
TO THE CITY OF SOMERSET, KENTUCKY)	

O R D E R

Having reviewed the application and exhibits in this case, the Commission has determined that an evidentiary hearing is necessary. IT IS THEREFORE ORDERED that this matter is set for public hearing in the Commission's offices in Frankfort, Kentucky, on December 12, 1984, at 9:30 A.M., Eastern Standard Time.

IT IS FURTHER ORDERED that the applicants shall provide the information requested in Appendix A to this Order by the close of business on December 10, 1984.

Done at Frankfort, Kentucky, this 6th day of December, 1984.

PUBLIC SERVICE COMMISSION

Richard D. Hemmick
For the Commission

ATTEST:

Secretary

APPENDIX A
CASE NO. 9231

1. Provide detailed explanations and supporting documentation for all allocations of accounts included in the July 31, 1984, Departmental Balance Sheet of Kentucky Water Service.

2. Provide the Departmental Depreciation Schedules for Middlesboro and Clinton supportive of the amounts reported as depreciation expense during the fiscal year ended July 31, 1984.

3. Provide any workpapers, financial statements, or other documentation that support the contention that the Middlesboro and Clinton properties are not sufficiently profitable and that the proposed transactions would eliminate the need for any immediate rate increases.

4. Provide the tax opinion mentioned in paragraph 6(d) of the option agreement between the City of Somerset and Kentucky Water Service.