

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TRANSFER OF CARROLL F. COGAN'S)
JEFFERSON COUNTY SEWAGE TREATMENT)
PLANTS TO THE LOUISVILLE AND) CASE NO. 9715
JEFFERSON COUNTY METROPOLITAN)
SEWER DISTRICT)

O R D E R

On October 15, 1986, Carroll F. Cogan Companies, Inc. ("CFC") and the Louisville and Jefferson County Metropolitan Sewer District ("MSD") filed a joint application requesting approval of the sale and transfer of 27 sewage treatment facilities in Jefferson County owned or controlled by Mr. Carroll F. Cogan to MSD. On October 22, 1986, CFC and MSD filed a fully executed purchase agreement setting out the terms and conditions of the proposed sale and transfer. The utilities in question are listed in Appendix A to the Order.

FINDINGS

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. MSD is ready, willing and able to purchase the sewage treatment facilities owned or controlled by CFC and its affiliated companies in Jefferson County, in that it has the financial, technical and managerial abilities to provide adequate and reliable service to the customers served therein.

2. The owners of CFC and its affiliated companies are ready and willing to sell inasmuch as they wish to divest themselves of the ownership of these sewage treatment systems.

3. The quality of service to the customers of CFC's Jefferson County sewage treatment systems will not suffer in that MSD has knowledge and experience in the operation and maintenance of sewage treatment facilities.

4. The agreed-upon purchase price is \$4,212,100 which was determined through negotiations between the representatives of CFC and MSD.

5. The sum of \$200,000 is being withheld in escrow by MSD for the purpose of meeting liabilities of CFC and/or its affiliated companies.

6. Case No. 9129, The Application of Friendly Utilities, Inc. For a Rate Adjustment Pursuant to the Alternative Rate Filing Procedure for Small Utilities, shall be incorporated herein by reference for purposes of addressing the outstanding refunds due the customers of that system.

In addition to the escrow account described in paragraph 5 above, Carroll Cogan, as owner of Friendly Utilities, Inc., agrees as a condition to the Commission's approval of this transfer that \$8,709 of the purchase price shall be withheld by MSD and placed in an escrow account subject to the final Order in Case No. 9129 which shall be binding on him individually and as owner of Friendly Utilities, Inc. This is to occur before or concurrent with the transfer. The Commission recognizes that the parties in Case No. 9129 retain the right to appeal as provided in KRS 278.410.

7. The customers served by sewage treatment facilities controlled by CFC and affiliated companies will be charged MSD's rates and charges for sewage treatment service.

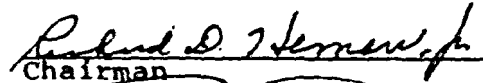
IT IS THEREFORE ORDERED that:

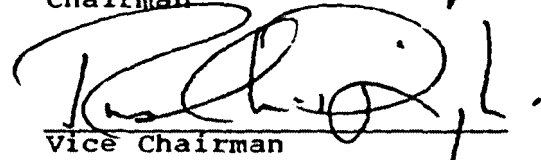
1. The transfer of ownership of CFC's sewage treatment systems listed on Appendix A to MSD be and it hereby is approved.

2. The approval of this transfer shall be contingent upon the compliance by Friendly Utilities, Inc. and Carroll Cogan with Finding No. 6 of this Order.

Done at Frankfort, Kentucky, this 30th day of October, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE
NO. 9715 DATED OCTOBER 30, 1986.

The following is a list of the sewage treatment facilities
being transferred herein to the Louisville and Jefferson County
Metropolitan Sewer District.

Barbour Manor Utilities - Barbour Manor Sewer System
C-C Utilities Inc. - Cedar Creek Sewer Plant
C-C Utilities Inc. - Tin Dor Sewer Plant
Cedar Creek Sewer Co. Inc.
Charleswood Utilities Inc. - Charleswood Village Sewer System
Charleswood Utilities Inc. - Springlake Sewer Systems
Cogan Company, Inc.
Enviro Utilities Inc. - Candlelight Sewer System
Farmdale Utilities Inc. - Promotional Industries, Inc.
Fern Creek Sewer Co., Inc.
Fern Hill Sewer Co., Inc.
Fernbrook Utilities, Inc.
Freys West Utilities, Inc.
Friendly Utilities, Inc.
Gainsboro Utilities, Inc. - Gainsboro Sewer System
Glengarry Utilities, Inc. - Glengarry Subdivision Sewer
System
Glengarry Utilities, Inc. - Zelma Fields Sewer System
Green Spring Utilities, Inc.
Prarie Facilities, Inc.
Shallow Creek Utilities, Inc.
Stonebrook Sanitation Company, Inc.
Tree-Line Utilities, Inc. - Treasure Island East Sewer System
Tree-Line Utilities, Inc. - Treeline Estates Sewer System
Valley Utilities, Inc.
Westport Utilities, Inc. - Rolling Hills Service Company,
Inc.
Willow Utilities, Inc. - McNeely Lake Sewer System
Windsor Facilities, Inc.