

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE LOUISVILLE AND)
JEFFERSON COUNTY METROPOLITAN SEWER)
DISTRICT FOR APPROVAL TO ACQUIRE) CASE NO. 94-192
THE ASSETS OF GLENCOE HIGHVIEW)
WASTEWATER TREATMENT FACILITY)

O R D E R

On May 13, 1994, the Louisville and Jefferson County Metropolitan Sewer District ("MSD") submitted an application for approval of the transfer of ownership of the subdivision sewage treatment plant which serves the Glencoe Subdivision of Jefferson County, Kentucky from Highview Sewer District, Inc. ("Highview") to MSD.

Having considered the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Highview owns and operates a wastewater treatment plant serving 234 customers in the Glencoe Subdivision of Jefferson County, Kentucky, and is a utility subject to Commission jurisdiction. KRS 278.010(3)(E).

2. MSD is a public body corporate and political subdivision created for the purpose of providing adequate sewer and drainage facilities in and around Jefferson County, Kentucky. KRS 76.010.

3. Highview has agreed to transfer ownership of the Glencoe Subdivision wastewater treatment plant and all real property interest associated therewith to MSD for \$120,000.

4. As of June 30, 1993, MSD had total assets of \$641,968,000 and total liabilities of \$199,649,000.

5. As of June 30, 1993, MSD provided wastewater service to an area of approximately 136 square miles that encompasses 166,853 customers. It owned and operated a wastewater collection system which consisted of approximately 670 miles of combined sewers, 1,377 miles of strictly sanitary sewers, 184 pump stations, 4 major sewage treatment plants, and 63 small to intermediate size sewage treatment plants that treat more than one million gallons of waste water per day.

6. MSD, as a metropolitan sewer district organized pursuant to the provisions of KRS Chapter 76, is a political subdivision of the Commonwealth. Rash v. Louisville & Jefferson County Metropolitan Sewer Dist., 309 Ky. 442, 217 S.W.2d 232 (1949).

7. In view of its financial assets and its status as a political subdivision of the Commonwealth, MSD has sufficient financial integrity to ensure the continuity of sewage service. A copy of a valid third-party beneficiary agreement guaranteeing the continuing operation of the Glencoe Subdivision wastewater treatment plant is therefore not required.

8. MSD has the financial, managerial, and technical abilities to provide reasonable utility service to the persons who Highview currently serves.

IT IS THEREFORE ORDERED that:

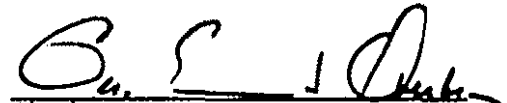
1. The transfer of ownership of the Glencoe Subdivision wastewater treatment plant from Highview to MSD pursuant to the terms of the May 5, 1994 Agreement is approved.

2. Within 10 days of the transfer of legal title of the Glencoe Subdivision wastewater treatment plant from Highview to MSD, Highview and MSD shall notify the Commission of that event.

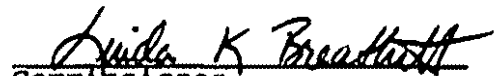
3. Until the transfer of ownership occurs, the Commission shall retain jurisdiction over the Glencoe Subdivision wastewater treatment plant and Highview shall continue to comply with all Commission regulations, including those which require the timely filing of any information, notice, or reports.

Done at Frankfort, Kentucky, this 6th day of June, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director