

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT PETITION FOR THE)	
TRANSFER OF NORTHLAND)	CASE NO. 97-510
SEWER CO. AND RESIDENTIAL)	
CUSTOMERS AS PROVIDED)	
BY 807 KAR 5:001)	

O R D E R

On December 17, 1997, Northland Sewer Company owned by A-1 Builders ("Northland") and Dwight Stevens and Tom Osborne ("Stevens/Osborne") (hereinafter collectively referred to as "Joint Applicants") jointly petitioned the Public Service Commission for approval to transfer the assets of Northland Sewer Company to Stevens/Osborne.

IT IS ORDERED that Joint Applicants shall file the original and 6 copies of the following information with the Commission with a copy to all parties of record no later than 10 days from the date of this Order. Joint Applicants shall furnish with each response the name of the witness who will be available to respond to questions concerning each item of information requested should a public hearing be scheduled.

1. Please refer to application.
 - a. Item No. 5 states that the assets of A-1 Builders, Inc. are being transferred for \$1; however, the purchase contract shows a purchase price of \$30,000. Explain this discrepancy and provide the actual selling price.

b. Item No. 7 states that the sewer services 35 customers but that the books of the company show only 19 customers. Explain why all 35 are not on the company's books.

c. Item No. 10 states that 23 acres are included in the sale while the purchase agreement states that only 4 acres are included. Explain this discrepancy.

d. Is the real estate being transferred the same real estate included in Account 310 on the annual report, Land and Land Rights?

2. The application states that the rate charged after the transfer will be the current tariffed rate. Given that the 1996 annual report shows revenues of \$2,366 and expenses of \$24,505 resulting in a net loss of \$22,139, how do Stevens/Osborne plan to keep the utility solvent?

3. Provide a current detailed plant and depreciation schedule.

4. Provide the journal entry to be made on the books of Stevens/Osborne to record the transfer.

Done at Frankfort, Kentucky, this 27th day of January, 1998.

PUBLIC SERVICE COMMISSION



For the Commission

ATTEST:



Executive Director