

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT PETITION OF NORTH BARREN WATER)
ASSOCIATION, INC., AND THE GLASGOW WATER)
& SEWER COMMISSION TO PERMIT THE SALE)
AND TRANSFER OF ALL ASSETS, LIABILITIES,) CASE NO. 9984
AND TERRITORY OF NORTH BARREN IN)
CONSIDERATION OF BUYERS ASSUMPTION OF ALL)
LIABILITIES INCLUDING PAYMENT OF EXISTING)
DEBT OWED TO FARMERS HOME ADMINISTRATION)

O R D E R

On August 3, 1987, North Barren Water Association, Inc., ("North Barren") and the Glasgow Water & Sewer Commission ("Glasgow Water Company") filed a joint petition for approval to transfer the assets of North Barren to Glasgow Water Company. North Barren is incorporated under KRS Chapter 273 and Glasgow Water Company is a municipal utility owned and operated by the City of Glasgow, Kentucky.

The Commission has reviewed the extensive joint petition as well as the financial, technical and managerial abilities of Glasgow Water Company. This review included the Purchase Agreement entered into by the parties on July 2, 1987, pending Commission approval of the transfer. The Commission is of the opinion that Glasgow Water Company is ready, willing, and able to operate the facilities of North Barren. Glasgow Water Company supplies North Barren with its water and has provided system maintenance for North Barren. Also, the rates currently charged by North Barren are identical to those charged by Glasgow Water Company for

customers located outside the city. The customers will experience no change in rates as a result of this transfer.

The transfer is in the best interest of North Barren's customers. Glasgow Water Company will assume the debts of North Barren in consideration for the transfer of the assets and will pay the debt to the Farmers Home Administration at a 25 percent discount. The City will also meet the water storage needs of North Barren's customers without further construction.

Therefore, the Commission should approve the transfer of the assets of North Barren to Glasgow Water Company.

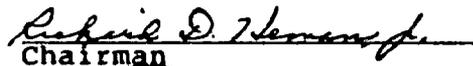
IT IS THEREFORE ORDERED that:

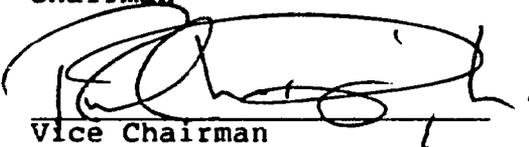
1. The transfer of assets of North Barren to Glasgow Water Company be and it hereby is approved.

2. North Barren shall have the responsibility of filing with the Public Service Commission an annual report for the portion of 1987 in which it operated the system.

Done at Frankfort, Kentucky, this 17th day of September, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:

Executive Director


Commissioner