

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF THE CITY OF  
CALHOUN, KENTUCKY, A FIFTH CLASS CITY, )  
AND RUMSEY WATER DISTRICT, McLEAN COUNTY, ) CASE NO.  
KENTUCKY, CREATED AND EXISTING UNDER AND ) 10311  
BY VIRTUE OF CHAPTER 74 OF THE KENTUCKY )  
REVISED STATUTES, FOR APPROVAL OF A )  
"CONTRACT OF SALE AND PURCHASE" PROVIDING )  
FOR THE PURCHASE OF THE EXISTING WATER- )  
WORKS DISTRIBUTION SYSTEM OF THE DISTRICT, )  
SUBJECT TO AN EXISTING WATERWORKS REVENUE )  
BOND OF 1977 )

O R D E R

On July 8, 1988, the City of Calhoun, Kentucky (the "City"), a municipal corporation of the fifth class, and the Rumsey Water District (the "District"), a public utility created under the authority of KRS Chapter 74, filed a joint application for approval of the transfer of the District's water distribution system to the City. The terms of the proposed transfer were set forth in a contract of sale and purchase previously approved by the Calhoun City Council and the Rumsey Water District Board of Commissioners.

The Commission has reviewed the Contract of Sale and Purchase as well as the financial, technical, and managerial abilities of the City and is of the opinion that the City is fully capable of owning and operating the District's water distribution system. The City successfully operates its own water system and has for some time. Persons are employed with the necessary expertise to

manage and operate a water distribution system and the City has sufficient financial resources to provide reasonable service to the residents served by the District.

The Commission therefore finds that it should approve the proposed transfer of the District's assets to the City.

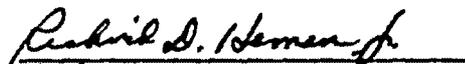
IT IS THEREFORE ORDERED that:

1. The transfer of the District's water distribution system to the City be and it hereby is approved.

2. The District shall be responsible for filing with the Commission an annual report for the portion of 1988 in which it operated its water distribution system.

Done at Frankfort, Kentucky, this 1st day of August, 1988.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director