

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF THE CITY OF SCIENCE)
HILL, A SIXTH CLASS CITY OF PULASKI COUNTY,)
KENTUCKY, AND PULASKI COUNTY WATER DISTRICT)
NO. 1 OF PULASKI COUNTY, KENTUCKY, CREATED)
AND EXISTING UNDER AND BY VIRTUE OF CHAPTER)
74 OF THE KENTUCKY REVISED STATUTES, FOR) CASE NO.
APPROVAL OF A "CONTRACT OF SALE AND PURCHASE") 9894
PROVIDING FOR THE PURCHASE BY SAID CITY FROM)
SAID WATER DISTRICT OF THE EXISTING WATERWORKS)
DISTRIBUTION SYSTEM OF THE DISTRICT, SUBJECT)
TO THE EXISTING BONDS AND OTHER ENCUMBRANCES)
AGAINST SAID SYSTEM)

O R D E R

The City of Science Hill ("Science Hill") and Pulaski County Water District No. 1 ("Pulaski No. 1") have filed a joint application for approval to transfer the waterworks system of Pulaski No. 1 to Science Hill. The terms of the transfer are set out in a contract of sale and purchase entered into by the parties on March 16, 1987. The contract includes provisions for the assumption of all existing obligations and commitments of Pulaski No. 1.

The Commission has reviewed the contract of sale and purchase as well as the financial, technical, and managerial abilities of Science Hill and is of the opinion that Science Hill is ready, willing, and able to own and operate the waterworks system of Pulaski No. 1. Science Hill stated that, should the transfer occur, it will maintain the waterworks system by employing the

Somerset Water Service, the entity which currently operates the facilities. Also, Science Hill has represented that it will initially adopt the rates which Pulaski No. 1 has on file with the Commission. Thus, it appears that upon transfer there will be no change in the system's operator or the rates charged the customers.

IT IS THEREFORE ORDERED that:

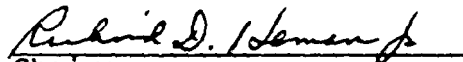
1. The transfer of the waterworks system of Pulaski No. 1 to Science Hill be and it hereby is approved.


2. Pulaski No. 1 shall file with the Commission a copy of the executed contract of sale and purchase thus providing notice of the actual transfer. Until actual transfer, Pulaski No. 1 shall remain a utility subject to the jurisdiction of the Commission.

3. Pulaski No. 1 shall file with the Commission an annual report for 1987 and for any future period in which it remains in existence.

Done at Frankfort, Kentucky, this 13th day of November, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:

Executive Director


Commissioner