

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WEST)
MARSHALL WATER DISTRICT,)
MARSHALL COUNTY, KENTUCKY FOR)
AUTHORIZATION TO TRANSFER ALL) CASE NO. 98-296
OF ITS WATER SYSTEM PROPERTY)
ASSETS AND FUND TO)
THE CITY OF BENTON, KENTUCKY)

O R D E R

On June 1, 1998, West Marshall Water District ("West Marshall") filed its application for Commission approval of the transfer of its water distribution system to the City of Benton, Kentucky, pursuant to KRS 278.020(4) and 807 KAR 5:001, Section 8. The licensed operator employed by West Marshall intended to resign effective May 30, 1998, leaving the system without a qualified operator. Therefore, West Marshall requested expedited treatment of its application.

Having considered the evidence of record and being otherwise sufficiently advised, the Commission finds that West Marshall is a water district organized pursuant to KRS Chapter 74 which currently owns and operates a waterworks system serving approximately 220 customers in Marshall County, Kentucky. The City of Benton is a municipal corporation of the fourth class situated in Marshall County, Kentucky, and presently owns and operates a water treatment, supply and distribution system. The City of Benton has the financial, technical, and managerial abilities to provide reasonable utility service to the customers currently being served by West Marshall.

On March 24, 1998, West Marshall adopted a Resolution effecting a merger of its operations with the City of Benton. Pursuant to that Resolution the City of Benton will serve the customers of West Marshall for a reasonable rate that will allow the City to discharge the balance of West Marshall's financial obligations and provide for dissolution of West Marshall when its obligations are paid.


On May 29, 1998, a contract was signed between West Marshall and the City of Benton setting forth the terms and conditions for the acquisition and merger of West Marshall by the City of Benton.

IT IS THEREFORE ORDERED that:

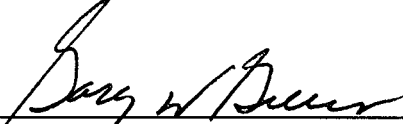
1. The proposed transfer is approved.
2. West Marshall shall give written notice to the Commission within 20 days of the closing of the proposed transfer.
3. Until formal closing occurs, the Commission shall retain jurisdiction over West Marshall.

Done at Frankfort, Kentucky, this 30th day of June, 1998.

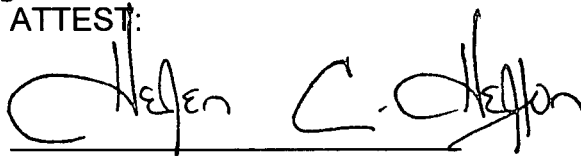
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director