

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

APPLICATION OF THE LEON-HITCHINS)
WATER DISTRICT, A WATER DISTRICT)
ORGANIZED PURSUANT TO CHAPTER 74)
OF THE KENTUCKY REVISED STATUTES,) CASE NO. 8396
OF CARTER AND BOYD COUNTIES,)
KENTUCKY, FOR APPROVAL OF THE)
DISCONTINUANCE OF SAID DISTRICT)

O R D E R

On December 3, 1981, the Leon-Hitchins Water District ("Leon-Hitchins") filed a Petition with this Commission seeking approval of its discontinuance as a water district. Leon-Hitchins was formed pursuant to an order of the Carter County Court entered June 8, 1966. Subsequently, two tracts were added to the District -- one in Carter County on August 15, 1966, and the other in Boyd County on January 4, 1977.

Leon-Hitchins has not constructed facilities, nor served any customers. The basis for the petition is its inability to arrange financing for construction of water service facilities. The Big Sandy Water District ("Big Sandy") in Case Number 8197 is seeking Commission approval for the construction of facilities to serve residents of Leon-Hitchins' service area and is also seeking approval of its proposed annexation of that area.

Based upon the above-stated facts and being advised, the Commission hereby finds as follows:

1. Leon-Hitchins is a water district of Carter and Boyd Counties. The district, through its commissioners, applied for an order of discontinuance with this Commission on December 3, 1981.

2. The district is unable to finance the construction needed for providing water service to residents within its boundaries. The present service area of Leon-Hitchins can be feasibly served by Big Sandy. The Big Sandy Water District has proposed to annex the Leon-Hitchins service area.

3. Leon-Hitchins has no assets, except \$29,211.16 in service connection fees paid by potential customers. These funds are to be transferred to the Big Sandy Water District, upon approval of the Boyd County Court of its annexation of the Leon-Hitchins service area. These funds are for payment of service connection fees to Big Sandy by Leon-Hitchins on behalf of those parties who paid a connection fee to Leon-Hitchins. Big Sandy is obligated to return the service connection fee to any payor that cannot be served by its proposed construction or to any payor requesting a refund.

4. Leon-Hitchins has no debts, except for legal services of \$3,137, which Big Sandy Water District has agreed to assume.

5. Leon-Hitchins has met this Commission's requirements for approval of discontinuance as a water district, and such discontinuance is in the public interest.

Based upon the above-stated findings, the Commission hereby ORDERS that Leon-Hitchins' Petition for Discontinuance as a water district be, and it hereby is, approved.

Done at Frankfort, Kentucky, this 10th day of February, 1982.

PUBLIC SERVICE COMMISSION

Martin M. Vohy
Chairman

Katherine Randall
Vice Chairman

Ann Carrigan
Commissioner

ATTEST:

Secretary