



Ernie Fletcher
Governor

Mark David Goss
Chairman

Teresa J. Hill, Secretary
Environmental and Public
Protection Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
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Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

John W. Clay
Commissioner

Timothy J. LeDonne
Commissioner
Department of Public Protection

July 16, 2007

Honorable Ruth H. Baxter
Attorney at Law
Crawford & Baxter, P.S.C. Attorneys at Law
523 Highland Avenue
P. O. Box 353
Carrollton, KY 41008

RE: Case No. 2007-00202

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

BOD/tw
Enclosure



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Commissioner

Tammy Hendren
Secretary
Gallatin County Water District
4500 Highway 455
Sparta, KY 41086

July 16, 2007

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Commissioner

Stephen P. Huddleston
Huddleston & Huddleston Attorneys At Law
307 West Main Street
P.O. Box 807
Warsaw, KY 41095

July 16, 2007

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Protection Cabinet

Timothy J. LeDonne
Commissioner
Department of Public Protection

James L. Smith
Manager
Carroll County Water District #1
205 Main Cross
P. O. Box 350
Ghent, KY 41045



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Public Service Commission
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Executive Director

BOD/tw
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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CARROLL COUNTY WATER DISTRICT NO. 1)	
)	CASE NO.
COMPLAINANT)	2007-00202
)	
V.)	
)	
GALLATIN COUNTY WATER DISTRICT)	
)	
DEFENDANT)	

O R D E R

Carroll County Water District No. 1 ("Carroll County") filed a complaint on May 21, 2007 against Gallatin County Water District ("Gallatin County"). The Commission issued a standard Order on June 18, 2007, notifying Gallatin County of the complaint and ordering it to respond to the complaint within 10 days of service. On July 6, 2007, the Commission issued an Order setting a motion hearing for July 18, 2007 at the Commission's offices in Frankfort.

After the response deadline had passed, Commission Staff discovered that neither Gallatin County nor its attorney was on the Commission's service list. As a result, Gallatin County was not served with the June 18 and July 6 Orders. On July 10, 2007, Commission Staff contacted Stephen P. Huddleston, attorney for Gallatin County, and informed him of the error. Mr. Huddleston stated that he had not received either Order, but would attend the motion hearing on July 18 and would respond to the complaint when it is served.

Commission Staff's error has been rectified, and copies of the June 18, 2007 and July 6, 2007 Orders are attached to this Order as Appendix A and Appendix B, respectively.

IT IS HEREBY ORDERED that:

1. Pursuant to 807 KAR 5:001, Section 12, Gallatin County shall satisfy the matters complained of or file a written answer to the complaint within 10 days from the date of service of this Order.

2. A hearing on Carroll County's motion shall be held on July 18, 2007, beginning at 1:00 p.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky. Carroll County has the burden of establishing that the requested relief is appropriate.

3. The official record of this proceeding shall be by video only, unless otherwise requested by a party to this proceeding.


4. Gallatin County shall not begin or renew construction on the facilities identified in the complaint until the time at which the Commission rules on the motion.

5. Should documents of any kind be filed with the Commission in the course of this proceeding, the documents shall also be served on all parties of record.

Done at Frankfort, Kentucky, this 16th day of July, 2007.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00202 DATED July 16th, 2007.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CARROLL COUNTY WATER DISTRICT NO. 1)	
)	
COMPLAINANT)	
)	
v.)	CASE NO. 2007-00202
)	
GALLATIN COUNTY WATER DISTRICT)	
)	
DEFENDANT)	

ORDER TO SATISFY OR ANSWER

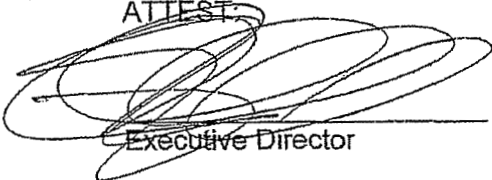
Gallatin County Water District No. 1 ("Gallatin District") is hereby notified that it has been named as defendant in a formal complaint filed on May 21, 2007, a copy of which is attached hereto.

Pursuant to 807 KAR 5:001, Section 12, Gallatin District is HEREBY ORDERED to satisfy the matters complained of or file a written answer to the complaint within 10 days from the date of service of this Order.

Should documents of any kind be filed with the Commission in the course of this proceeding, the documents shall also be served on all parties of record.

Done at Frankfort, Kentucky, this 18th day of June, 2007.

ATTEST



Executive Director

By the Commission

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

CARROLL COUNTY WATER)
DISTRICT NO. 1)
POST OFFICE BOX 350)
GHENT, KENTUCKY 41045)
VS.)
GALLATIN COUNTY WATER)
DISTRICT)
4500 HIGHWAY 455)
WARSAW, KENTUCKY 41095)

CASE NO. 2007-00707

RECEIVED

MAY 21 2007

PUBLIC SERVICE
COMMISSION

COMPLAINT

Comes now the Complainant Carroll County Water District No. 1, and for its Complaint against the Gallatin County Water District, and states as follows:

- 1.) The Carroll County Water District No. 1, is a public water district created in accordance with KRS 74.010 et seq. (hereinafter "Carroll"), doing business in Carroll, Owen and Gallatin Counties, Kentucky, with its principal place of business at 205 Main Cross Street, Ghent, Carroll County, Kentucky 41045, and a mailing address at Post Office Box 350, Ghent, Kentucky 41045;
- 2.) At all times complained of herein, Gallatin County Water District No. 1, is a public water district created in accordance with KRS 74.010 et seq. (hereinafter "Gallatin"), doing business in Gallatin County, Kentucky, with its principal place of business at 4500 Highway 455, Warsaw, Gallatin County, Kentucky 41095;
- 3.) In accordance with KRS Chapter 74, et seq., and by Order Approving

Boundaries of Carroll County Water District No. 1, dated September 8, 1998, Carroll acquired the exclusive right to supply water service to the territory lying and being in Carroll, Gallatin and Owen Counties, and more fully described as follows:

Beginning at the intersection of Kentucky Highway 320 (Lock Road and U.S. Highway 227); thence northwest with the centerline of said U.S. Highway 227 approximately 1200 feet to a point on the Carrollton City Limits line; thence northeast with said limits line approximately 1,750 feet to the centerline of the Carrollton Railroad tracks; thence northwesterly with the centerline of said tracks, approximately 1,500 feet to a point; thence northeast and perpendicular to said tracks approximately 2,000 feet to a point; thence northwesterly and parallel with M & T Road approximately 3,200 feet to a point which is 900 feet west of said M & T Road; thence north approximately 1200 feet to the Carrollton City Limits and the west right of way of M & T Road; thence northwesterly with said R-O-W line approximately 1,750 feet to the centerline of U.S. Highway No. 42; thence continuing northwesterly with an extension of the aforesaid line approximately 725 feet to the low water mark (elevation 420) of the Ohio River; thence northeasterly with said river's low water mark to the Gallatin County line; thence continuing with said River's low water mark northeasterly to a point on the west bank of Craig's Creek; thence southerly with the meanderings of the west bank of said creek to a point 1000 feet south and 1000 feet east of the intersection of Winn Road and Kentucky Highway 1130; thence south and parallel with Kentucky Highway 1130 to a point 1,000 feet east and 2,000 feet south of the intersection of Kentucky Highway 1130 and Kentucky Highway 465; thence southwesterly and parallel with Kentucky Highway 465 approximately 8,500 feet to a point on the Carroll County--Gallatin County Line; thence southeasterly along said county line approximately 8,500 feet to the center of Eagle Creek and the Owen County line; thence southeasterly with the meanderings of Eagle Creek and said county line to a point in Eagle Creek 2,500 feet north and west of the Mid Valley Crude Oil Pipe line; thence southwesterly along a parallel line 2,500 feet north of said pipeline to a point 1,000 feet north of the intersection of Bucks Run Road and State Road 227; thence south to a point 1,000 feet south of State Road 227; thence southwesterly along State Road 227 to a point 5000 feet Northeast of the

intersection of the Southernmost boundary of Twin Eagle Wildlife area and State Road 355; thence south along a line parallel and 5000 feet east of State Road 355 to a point 1,000 feet north of Fairview Ridge Road; thence east to a point 1,000 feet north of the intersection of Morgan's Lane Road and State Road 22; thence southeast with Morgan's Lane and Morgan's Lane extended approximately 3,500 feet to a point 2,500 feet southeast of the intersection of State Road 22 and Morgan's Lane; thence southwesterly to a point 1,000 feet east of the Gratz city limit line on Highway 355; thence west approximately 4,500 feet to the normal pool water level (elevation 428) of the Kentucky River; thence northeasterly with said water level to Carrollton Lock #1 on the Kentucky River; thence north approximately 1,000 feet to a point on the centerline of Kentucky Highway 320; thence northeasterly with said centerline approximately 2,000 feet to the point of beginning.

Surveyed by James M. West, P.E., Kentucky Reg. No. 12349 dated June 10, 1998.

A true and correct copy of the aforesaid Order Approving Boundaries of Carroll County Water District No. 1, is attached hereto and incorporated herein by reference as EXHIBIT "A";

4.) A new commercial development which is expected to include a small retail store and/or gas station is being located along Kentucky Highway 1039, near its intersection with Interstate 71, in Gallatin County, Kentucky (hereinafter "commercial development"). The commercial development is located within Carroll's territorial boundaries as defined in numerical paragraph 3 herein, and as shown on the Carroll County Water District No. 1 Service Area Boundary Map and general map of the area. Said maps are attached hereto and incorporated herein by reference as EXHIBIT "B" and EXHIBIT "C", respectively;

5.) In accordance with KRS Chapter 278, Carroll is ready, willing and able to provide water service to the commercial development. It has sufficient infrastructure and capacity to supply water service to the commercial development as shown on the Carroll County

Water District Water System Map, attached hereto as EXHIBIT "D" and incorporated herein by reference;

6.) Despite the establishment of territorial boundaries, Gallatin is attempting to provide service to the commercial development. Gallatin admitted that the commercial development is within Carroll's territory, but has stated that it intends to provide the commercial development with water service despite Carroll's exclusive right to the territory and Carroll's ability to provide water to the commercial development. Gallatin is currently constructing the water lines and/or water service to the commercial development site without authority to do so; and,

7.) Despite repeated demands by Carroll to cease and desist, Gallatin is constructing water lines which are intended to provide service to the commercial development within Carroll's territory;

WHEREFORE, the Complainant Carroll County Water District No. 1 requests the Public Service Commission to determine:

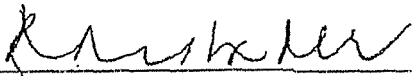
1.) That Gallatin County Water District is in violation of KRS Chapter 74, et seq., and all other applicable law, for extending water line service into that territory where Carroll County Water District No. 1 has the exclusive right to supply water service;

2.) That Gallatin County Water District should be ordered to cease and desist its construction of water lines and/or service to the commercial development along Highway 1039 in Gallatin County, Kentucky, within Carroll's territory; and,

3.) For all other necessary and proper relief to which Carroll County Water District No. 1 may be entitled.

CRAWFORD & BAXTER, P.S.C.
ATTORNEYS AT LAW
523 Highland Avenue
P.O. Box 353
Carrollton, Kentucky 41008
(502) 732-6688
Facsimile: (502) 732-6920

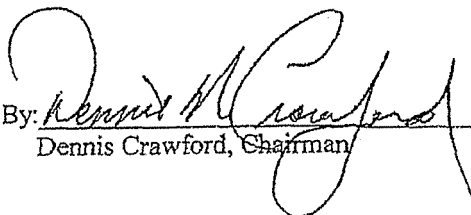
Attorneys for Complainant
Carroll County Water District No. 1

By: 
Ruth H. Baxter

VERIFICATION

Dennis Crawford states that he is the Chairman of the Carroll County Water District No. 1, that he has read the foregoing Complaint and states that the statements contained therein are true and correct, and that he is authorized to execute this Verification on behalf of Carroll County Water District No. 1.

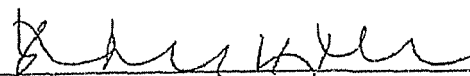
CARROLL COUNTY WATER DISTRICT NO. 1

By: 
Dennis Crawford, Chairman

STATE OF KENTUCKY)
COUNTY OF CARROLL)

Subscribed and sworn to before me by Dennis Crawford, this the 19 day of May, 2007.

My commission expires: 12/07/00

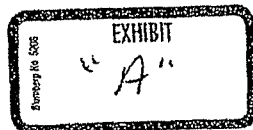

NOTARY PUBLIC, KY., STATE AT LARGE

ORDER APPROVING BOUNDARIES OF CARROLL COUNTY
WATER DISTRICT NO. 1

A Petition to enlarge the territorial limits of the Carroll County Water District to clarify its boundaries in Carroll County, and to annex new areas of Gallatin and Owen counties, respectively, having been filed with the County-Judge Executive, notice of the filing of this Petition with the proposed service area of the District once enlarged having been published in the newspaper having the greatest circulation in this county; a public hearing on the District's Petition having been advertised and the hearing having been held, and being otherwise sufficiently advised, IT IS HEREBY ORDERED ADJUDGED AS FOLLOWS:

1. The Petition of the Carroll County Water District to clarify its boundaries in Carroll County, and to annex new areas in Gallatin and Owen counties is hereby approved;
2. The territorial limits of the Carroll County Water District shall be bounded as and more particularly described by the following Proposed Service Area Description as follows:

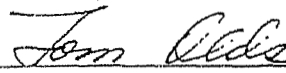
Beginning at the intersection of Kentucky Highway 320 (Lock Road and U.S. Highway 227); thence northwest with the centerline of said U.S. Highway 227 approximately 1200 feet to a point on the Carrollton City Limits line; thence northeast with said limits line approximately 1,750 feet to the centerline of the Carrollton Railroad tracks; thence northwesterly with the centerline of said tracks, approximately 1,500 feet to a point; thence northeast and perpendicular to said tracks approximately 2,000 feet to a point; thence northwesterly and parallel with M & T Road approximately 3,200 feet to a point which is 900 feet west of said M & T Road; thence north approximately 1200 feet to the Carrollton City Limits and the west right of way of M & T Road; thence northwesterly with said R-O-W line approximately 1,750 feet to the centerline of U.S. Highway No. 42; thence continuing northwesterly with an extension of the aforesaid line approximately 725 feet to the low water mark



(elevation 420) of the Ohio River; thence northeasterly with said river's low water mark to the Gallatin County line; thence continuing with said River's low water mark northeasterly to a point on the west bank of Craig's Creek; thence southerly with the meanderings of the west bank of said creek to a point 1000 feet south and 1000 feet east of the intersection of Winn Road and Kentucky Highway 1130; thence south and parallel with Kentucky Highway 1130 to a point 1,000 feet east and 2,000 feet south of the intersection of Kentucky Highway 1130 and Kentucky Highway 465; thence southwesterly and parallel with Kentucky Highway 465 approximately 8,500 feet to a point on the Carroll County-Gallatin County Line; thence southeasterly along said county line approximately 8,500 feet to the center of Eagle Creek and the Owen County line; thence southeasterly with the meanderings of Eagle Creek and said county line to a point in Eagle Creek 2,500 feet north and west of the Mid Valley Crude Oil Pipe line; thence southwesterly along a parallel line 2,500 feet north of said pipeline to a point 1,000 feet north of the intersection of Bucks Run Road and State Road 227; thence south to a point 1,000 feet south of State Road 227; thence southwesterly along State Road 227 to a point 5000 feet Northeast of the intersection of the Southernmost boundary of Twin Eagle Wildlife area and State Road 355; thence south along a line parallel and 5000 feet east of State Road 355 to a point 1,000 feet north of Fairview Ridge Road; thence east to a point 1,000 feet north of the intersection of Morgan's Lane Road and State Road 22; thence southeast with Morgan's Lane and Morgan's Lane extended approximately 3,500 feet to a point 2,500 feet southeast of the intersection of State Road 22 and Morgan's Lane; thence southwesterly to a point 1,000 feet east of the Gratz city limit line on Highway 355; thence west approximately 4,500 feet to the normal pool water level (elevation 428) of the Kentucky River; thence northeasterly with said water level to Carrollton Lock #1 on the Kentucky River; thence north approximately 1,000 feet to a point on the centerline of Kentucky Highway 320; thence northeasterly with said centerline approximately 2,000 feet to the point of beginning.

Surveyed by James M. West, P.E., Kentucky Reg. No. 12349 dated June 10, 1998. (See also the map of the proposed boundaries filed in the Offices of the Judge-Executives of Carroll, Gallatin and Owen Counties.

This the 8th day of September, 1998.




COUNTY JUDGE-EXECUTIVE

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COUNTY JUDGE-EXECUTIVE

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Surveyed by James M. West, P.E., Kentucky Reg. No. 12349 dated June 10, 1998. (See also the map of the proposed boundaries filed in the Offices of the Judge-Executives of Carroll, Gallatin and Owen Counties.

This the 9th day of October, 1998.


COUNTY JUDGE-EXECUTIVE

Kentucky, United States, North America

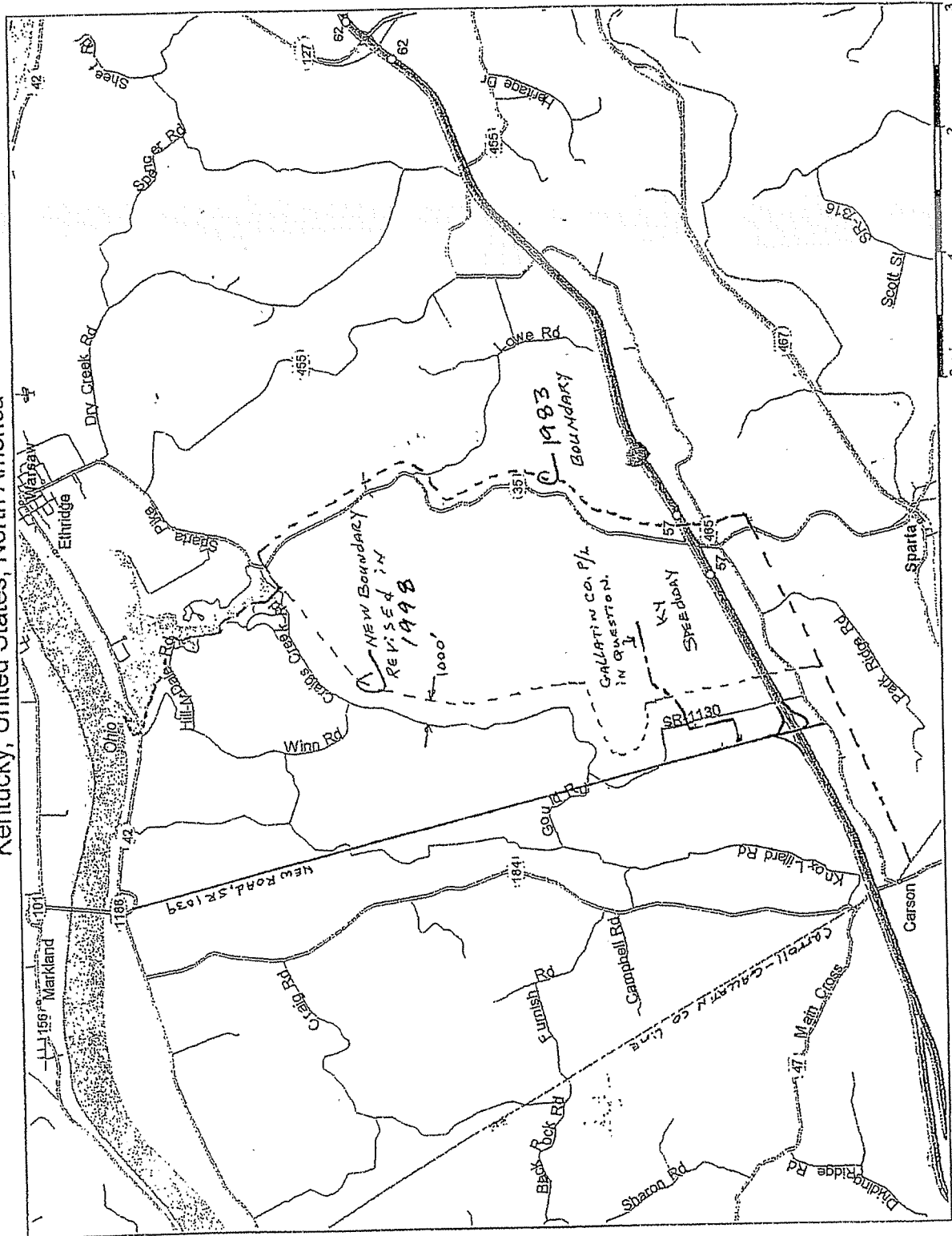
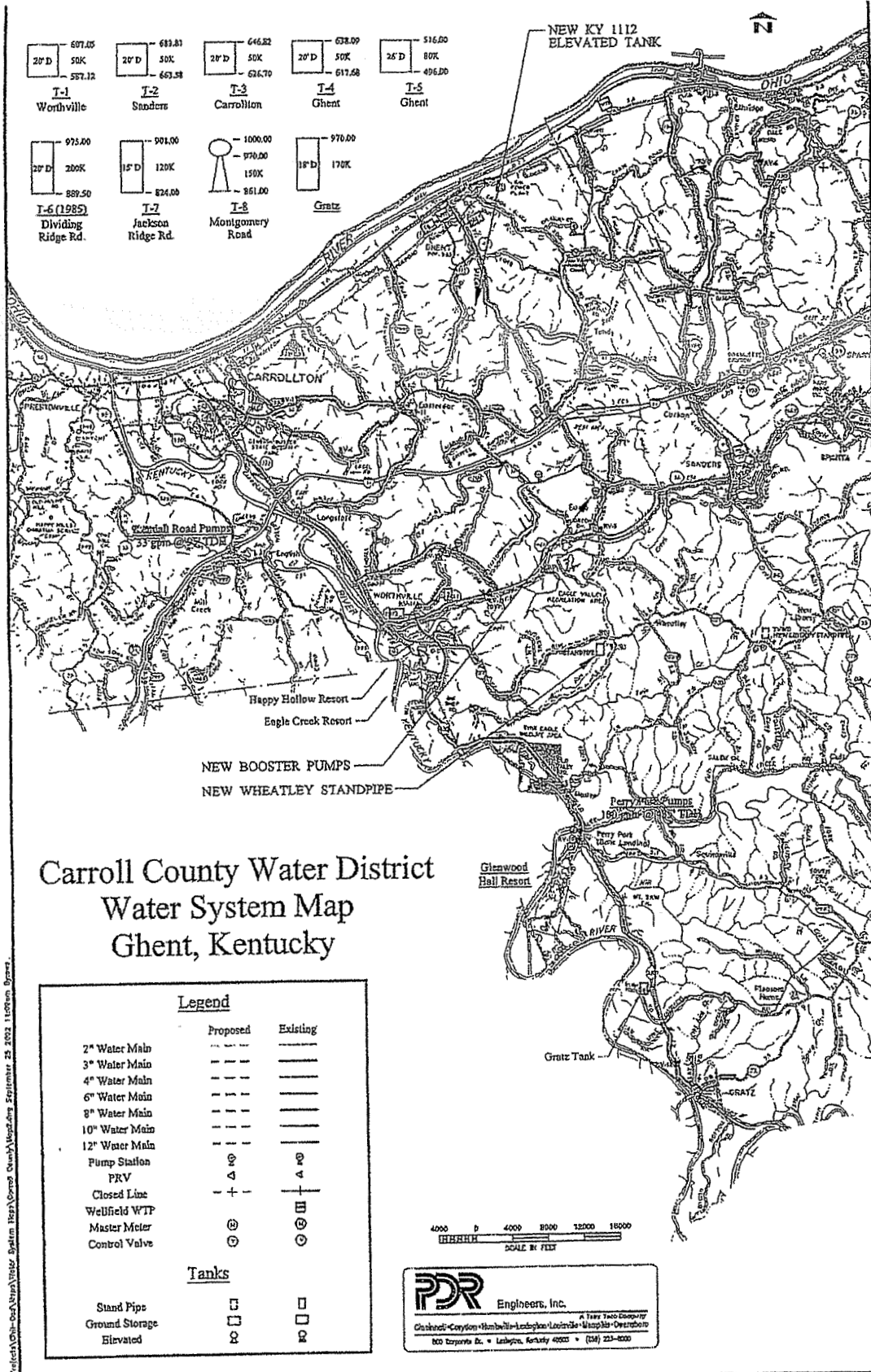


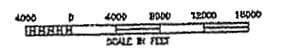
EXHIBIT
"C"
Bureau of Land Management

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 © Copyright 2003 by Geographic Data Technology, Inc. All rights reserved. This data includes information taken with permission from Canadian authorities © Her Majesty the Queen in Right of Canada.



Carroll County Water District Water System Map Ghent, Kentucky

Legend		
	Proposed	Existing
2" Water Main	---	---
3" Water Main	---	---
4" Water Main	---	---
6" Water Main	---	---
8" Water Main	---	---
10" Water Main	---	---
12" Water Main	---	---
Pump Station	⊙	⊙
PRV	△	△
Closed Line	- + -	- + -
Wellfield WTP	⊕	⊕
Master Meter	⊙	⊙
Control Valve	⊙	⊙
Tanks		
Stand Pipe	□	□
Ground Storage	□	□
Elevated	⊙	⊙



PDR Engineers, Inc.
 4150 Taylor Expressway
 Cincinnati, Ohio 45224-1000
 800 Corporate Dr. • Lexington, Kentucky 40502 • (513) 253-8200

C:\Projects\Chol-054\Map\Map.dwg System: HSP\Corpor\Quarry\Map.dwg 25/03/2002 11:00am by: jms

EXHIBIT
 "D"

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00202 DATED

UNRECORDED COPY OF ORIGINAL DOCUMENT

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CARROLL COUNTY WATER DISTRICT NO. 1)	
)	CASE NO.
COMPLAINANT)	2007-00202
)	
V.)	
)	
GALLATIN COUNTY WATER DISTRICT)	
)	
DEFENDANT)	

O R D E R

Carroll County Water District No. 1 ("Carroll County") filed a formal complaint on May 21, 2007 against Gallatin County Water District ("Gallatin County") in which it alleges that Gallatin County is constructing facilities to provide water service to areas outside its boundaries without a Certificate of Public Convenience and Necessity. Carroll County has also moved for an Order requiring Gallatin County to cease construction of such facilities during the pendency of its complaint. In its response filed on June 4, 2007, Gallatin County states that it intends to construct such facilities but that no construction is currently taking place.

IT IS HEREBY ORDERED that:

1. A hearing on Carroll County's motion shall be held on July 18, 2007, beginning at 1:00 p.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky. Carroll County has the burden of establishing that the requested relief is appropriate.

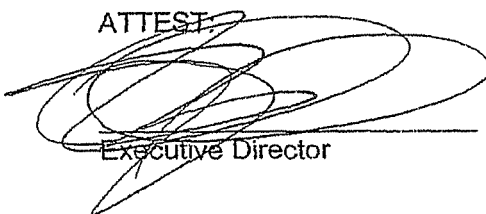
2. The official record of this proceeding shall be by video only, unless otherwise requested by a party to this proceeding.

3. Gallatin County shall not begin or renew construction on the facilities identified in the complaint until the time at which the Commission rules on the motion.

Done at Frankfort, Kentucky, this 6th day of July, 2007.

By the Commission

ATTEST



Executive Director

Case No. 2007-00202