

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

WATER SERVICE FOR RESIDENTS OF)
SOUTHEASTERN JOHNSON COUNTY) CASE NO. 8956

O R D E R

This matter was brought to the attention of the Commission by letters of complaints about inadequate service from residents of the Richmond Hills Estates subdivision ("Richmond Hills") Johnson County, Kentucky. The subdivision's water system as installed by its developer¹ was being utilized by the Big Sandy Water Works, Inc., ("Big Sandy") to provide service. Certain aspects of this system were primarily responsible for the water service inadequacies suffered by Richmond Hills and for Big Sandy's desire to be relieved of the obligation to provide this service.

Big Sandy's desire to withdraw its service to the Richmond Hills area of southeastern Johnson County brought about a dispute between the Auxier Water Company, Inc., ("Auxier") and the Johnson County Water District ("District") about which utility should serve this area.

On February 13, 1984, the Commission ordered that a hearing be held on this matter on February 21, 1984. The hearing

¹ Eastern Kentucky Homes, the developer of Richmond Hills, is now in bankruptcy.

was set for the purpose of determining the most feasible method for providing adequate and reliable service in the future to the residents of southeastern Johnson County, Kentucky. Representatives of Big Sandy, Auxier and the District were ordered to appear at the hearing and present their positions on this matter.

A copy of an Agreement entered into by Auxier and the District was filed with the Commission on February 16, 1984, and the hearing set for February 21, 1984, was cancelled. The Agreement presented a resolution of the conflicts about water purveyance for southeastern Johnson County.

Subsequent to February 16, 1984, Auxier constructed a water main extension into a portion of southeastern Johnson County and now provides water service to Richmond Hills and vicinity. Staff members of the Commission have made contacts with residents of Richmond Hills and have received verbal reports of their satisfaction with the new water service.

The Agreement between the District and Auxier provides for annexation of the southeastern Johnson County area by the District and for additional water main construction in the area provided the financing essential to this construction can be obtained. The District, by reimbursement to Auxier, would incorporate the pipeline constructed by Auxier into its water distribution system. Auxier would continue service to the area under the terms of an operating agreement between the District and Auxier. Other aspects of the Agreement obligate Auxier to perform certain

additional pipeline construction in the event the District fails to obtain funding for its proposed construction.

After considering the matter and being advised the Commission is of the opinion and finds that:

1) The complaints of inadequate water service made by residents of Richmond Hills and vicinity against Big Sandy have been satisfied by an extension of water service to the area by Auxier.

2) Big Sandy should be relieved of its obligation to continue the provision of water service to Richmond Hills and vicinity.

3) The Agreement between Auxier and the District, as filed February 16, 1984, makes reasonable provisions for the purveyance of water to residents of southeastern Johnson County.

IT IS THEREFORE ORDERED that the matter regarding the complaints by residents of Richmond Hills, as described herein, be and it hereby is dismissed.


IT IS FURTHER ORDERED that Big Sandy be and hereby is relieved of its obligation to provide water service to Richmond Hills and vicinity.

IT IS FURTHER ORDERED that the Agreement entered into by Auxier and the District, as herein described, be and hereby is approved. Further, Auxier shall file a copy of this Agreement with the Commission as a supplement to its official tariffs.

Done at Frankfort, Kentucky, this 4th day of April, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary