

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED MERGER OF KINGSTON-TERRILL WATER)
DISTRICT, WACO WATER DISTRICT AND WHITE HALL) CASE NO. 96-012
WATER DISTRICT)

O R D E R

On January 16, 1996, Kingston-Terrill Water District, White Hall Water District, and Waco Water District ("Petitioners") petitioned the Commission for an Order finding the merger of the three districts to be in the public interest and authorizing them to merge into one consolidated water district. Discovery has been completed and all requested information has been filed.

The name of the merged district will be Madison County Water District and its affairs will be managed by a board of seven commissioners from and after the effective date of the merger. In the interim, however, the three boards of commissioners will continue to operate the respective districts. A three member management committee composed of one member from each of the three boards will oversee routine operations and planning to complete the merger process.

The management committee, with assistance from a professional consultant will begin consolidating billing, meter reading, computer system functions, and consolidating personnel and office space as the merger process progresses. Current employees will continue with their present responsibilities and duties until a final determination of

personnel needs for the merged district is completed. It is anticipated that any personnel reductions will be handled through attrition.

The combined district will serve approximately 6,700 total customers and will have gross utility plant of \$6,490,265. In terms of total customers served, the combined district will rank as one of the 10 largest districts operating within the state. Existing rates to the customers will remain unchanged until consolidation of the debt of the three districts.

Consolidation of office facilities, meter reading, unified billing, reduction in the total number of employees and commissioners, consolidation or refinancing of existing debt, and a reduction in outside professional services should result in reduced overall costs and achieve economies not possible by the individual districts.

After consideration of the record established in this case and being otherwise sufficiently advised, the Commission finds that the merger is in the public interest and should be approved.

IT IS THEREFORE ORDERED that:

1. The proposed merger of Kingston-Terrill, White Hall and Waco Water Districts is approved.
2. Within 30 days of closing, the petitioners shall file 5 copies of the closing documents.
3. Within 10 days of closing, Madison County Water District shall execute and file a consolidated tariff covering the operations of the three districts.

Done at Frankfort, Kentucky, this 29th day of August, 1996.

PUBLIC SERVICE COMMISSION

Linda K. Breathitt
Chairman

Ed. [Signature]
Vice Chairman

Robert M. Davis
Commissioner

ATTEST:

Don Mills
Executive Director