

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF ELK LAKE )  
WATER COMPANY AND TRI-VILLAGE ) CASE NO. 97-511  
WATER DISTRICT FOR THE TRANSFER OF )  
RESIDENTIAL WATER SERVICE )

O R D E R

On December 17, 1997, Elk Lake Water Company ("Elk Lake") and Tri-Village Water District ("Tri-Village") filed a joint petition for the transfer of residential customers. Elk Lake and Tri-Village have entered into a contract dated December 11, 1997, whereby Elk Lake agrees to transfer 25 customers to whom it supplies water, plus all main lines, meter vaults and fixtures (excluding meters) that service said customers to Tri-Village. Tri-Village agrees to service the 25 customers and agrees to construct the necessary connection from its main line to the existing line acquired from Elk Lake to effect the transfer.<sup>1</sup>

Both utilities have filed responses to requests by the Commission stating that this transfer will not adversely affect either utility's ability to service their customers. Notice was given to the 25 affected customers and none have requested a hearing on the matter. Based upon average monthly usage of 5,000 gallons, a residential customer of Tri-Village now pays \$27.60. Elk Lake's residential customer rate for average monthly

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<sup>1</sup> Agreement Between Elk Lake Water Company and Tri-Village Water District dated December 11, 1997, filed as Exhibit A to the joint petition, and attached as an Appendix to this Order.

usage of 5,000 gallons is \$27.35. The proposed change in rates will result in a rate increase of 25 cents per average monthly usage.

Tri-Village stated in the application that the transferred customers will be charged Tri-Village's tariffed rate "as currently filed with the Commission." 807 KAR 5:011, Section 11, requires the acquiring utility to adopt the rates of the former utility. However, the Commission may upon application and for good cause grant deviations from this regulation. 807 KAR 5:011, Section 14. The Commission finds that upon the application filed herein good cause exists and that 807 KAR 5:011, Section 11, should not apply in this case.

The Commission finds that the utilities affected have agreed to the transfer, that no hearing is necessary, and that the record shows the transfer is in the public interest.

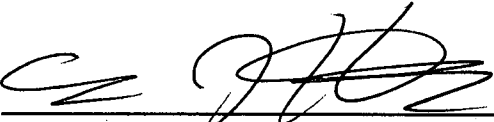
IT IS THEREFORE ORDERED that:

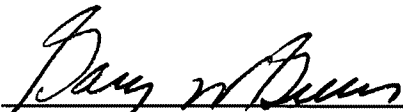
1. The transfer of the mains, lines, fixtures and 25 customers as contained in the Agreement of December 11, 1997 is approved.
2. The requirement that the acquiring utility adopt the rates, rules, and classification of the former utility is set aside herein and Tri-Village shall apply its tariff as filed with the Commission to the acquired customers.
3. Tri-Village shall notify the Commission of the completion of the connection to the line acquired from Elk Lake prior to commencement of service.
4. Within 60 days of the transfer of Elk Lake's assets and customers, Tri-Village shall file with the Commission the journal entries recording the transaction.

Done at Frankfort, Kentucky, this 17th day of February, 1998.

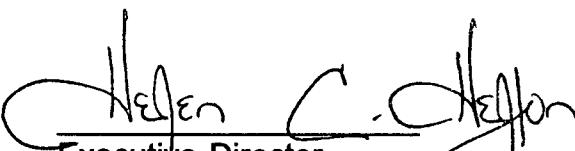
PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

APPENDIX

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION  
IN CASE NO. 97-511 DATED FEBRUARY 17, 1998

**Agreement**

This Agreement is made this 11 day of Dec., 1997, by and between Elk Lake Property Owners Association dba Elk Lake Water Company (Elk Lake) and Tri-Village Water District (Tri-Village). In consideration of the mutual promises contained herein, the parties agree as follows:

1. The parties will jointly petition the Kentucky Public Service Commission (PSC) for approval to transfer from Elk Lake to Tri-Village the rights and responsibilities to provide water service to 25 current customers and all future customers residing or located outside the boundaries of the Elk Lake Resort, Owen County, Kentucky. A list of the 25 current customers is attached as Schedule A.

2. The transfer will include all main lines, meter vaults, and related fixtures (excluding meters) presently in position to service the current customers. All such lines, vaults, and fixtures are transferred as-is. Tri-Village will remove and return to Elk Lake the existing meters and install replacement meters of its choice.

3. As soon as practicable after the PSC's approval of the transfer, Tri-Village will install a connection from its main line at some point along Highway 227 in Owen County to the existing line being serviced by Elk Lake. Upon the completion of any necessary tests or further certifications, Tri-Village will commence water service and verify the closing of the valve exiting Elk Lake.

4. Tri-Village releases Elk Lake from all further responsibilities for service to the existing and future customers covered by this Agreement.

This Agreement shall be binding upon the parties, their successors and assigns.

This Agreement shall be enforced under the laws of the Commonwealth of  
Kentucky.

This is the entire Agreement of the parties. Any changes or amendments must be  
contained in a writing signed by both parties.

IN WITNESS WHEREOF the parties have set their hands on the date first set  
forth above:

ELK LAKE PROPERTY OWNERS  
ASSOCIATION

By *Carol Steinhilber*  
Title: *Administrator*

TRI-VILLAGE WATER DISTRICT

By *Charles F. Noel*  
Title: *Chairman*

RUN DATE: 02/05/98 13:17

ELK LAKE WATER COMPANY  
ACCOUNT LISTING - SINGLE LI

SERVICE: W  
RATE TABLE: ALL  
MASTER METER: ALL  
BILLING MONTH: ALL

SENBILL CODE: ALL

| ACCOUNT | CUSTOMER'S NAME             | SVC ADDRESS                         | SVC CITY           | S |
|---------|-----------------------------|-------------------------------------|--------------------|---|
|         | B. J. DUNCAN                | 450 HIGHWAY 330                     | OWENTON            |   |
|         | ROBERT L. FURNISS           | 2705 GEORGETOWN ROAD                | OWENTON            |   |
|         | SCOTT GIBSON                | 600 HIGHWAY 330                     | OWENTON            |   |
|         | ROBERT E. GILBERT, JR.      | 1710 GEORGETOWN ROAD                | OWENTON            |   |
|         | KIM R. GREEN                | 1520 GEORGETOWN ROAD                | OWENTON            |   |
|         | MARK GREENE                 | 455 HIGHWAY 330                     | OWENTON            |   |
|         | TAMMY HARRIS                | HIGHWAY 330                         | OWENTON            |   |
|         | TIMMY W. HUDNALL, SR.       | 2545 GEORGETOWN ROAD                | OWENTON            |   |
|         | HOWARD JONES                | 1960 GEORGETOWN ROAD                | OWENTON            |   |
|         | TERRY KINCAID               | 765 HIGHWAY 330                     | OWENTON            |   |
|         | <del>SUE ANN KINCAID</del>  | <del>555 ELK LAKE RESORT ROAD</del> | <del>OWENTON</del> |   |
|         | BRIAN LATHREM               | 2265 GEORGETOWN ROAD                | OWENTON            |   |
|         | JACKIE LYNN                 | 855 HIGHWAY 330                     | OWENTON            |   |
|         | EDWARD MARSH                | 1650 GEORGETOWN ROAD                | OWENTON            |   |
|         | <del>TOMMY HIBBS</del>      | <del>555 ELK LAKE RESORT RD.</del>  | <del>OWENTON</del> |   |
|         | DENNIS MORGAN               | 1895 GEORGETOWN ROAD                | OWENTON            |   |
|         | RODNEY PARKER               | 665 HIGHWAY 330                     | OWENTON            |   |
|         | EUGENE PARKS                | 1275 ELK RIDGE ROAD                 | OWENTON            |   |
|         | DANNY PERKINS               | 560 HIGHWAY 330                     | OWENTON            |   |
|         | <del>BESTER PROFF SR.</del> | <del>485 ELK LAKE RESORT ROAD</del> | <del>OWENTON</del> |   |
|         | CLARENCE RILEY              | 290 HIGHWAY 330                     | OWENTON            |   |
|         | CURTIS SIGRETTO             | HWY.330 WAREHOUSE                   | OWENTON            |   |
|         | CURTIS SIGRETTO             | 1840 GEORGETOWN ROAD                | OWENTON            |   |
|         | GLENNA STIVERS              | 1680 GEORGETOWN ROAD                | OWENTON            |   |
|         | SUE TAYLOR                  | 1660 GEORGETOWN ROAD                | OWENTON            |   |
|         | BRUCE WASH                  | 3015 GEORGETOWN ROAD                | OWENTON            |   |
|         | HOWARD WIGGS                | FARM - HIGHWAY 330                  | OWENTON            |   |
|         | HOWARD WIGGS                | HIGHWAY 330                         | OWENTON            |   |

TOTAL RECORDS LISTED: 33